




INPUT®

# *FEDERAL IT MARKET PROGRAM*

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# Research Bulletin

A Publication from INPUT's Federal IT Market Analysis Program

Vol. V, No. 1

January 1996

## A Balanced Budget - The Road To Reform, Revolution or Illusion

### The Road To Reform Is Never Smooth

Congress has worked for over ten months to reach a balanced budget plan by the year 2002. This essentially will force the federal government to live within its means. This would indeed be a budget reform! However, other than agreeing to a balanced budget schedule (within seven years), there has been no agreement on fundamental issues such as money and the economy. There have been discussions, arguments, bureaucratic banter and jockeying for positions in the political polls. But specifics as to the amount of spending growth, if any, and by how much have been virtually ignored by the political contingents.

Various renditions of the proposed amendment---such as House, Senate, and White House preferences---are outlined in general detail. What are not discussed, however, are the on-going or trickle-down

effects of these political shenanigans on agency operations, government contractors, and, most importantly, the economy itself. If the budget is balanced within seven years, how long will it stay balanced, and will it balance only on paper?

Key budget areas in need of alignment are tax cuts, Medicare and Medicaid, welfare reform and discretionary domestic spending. The Republicans have proposed \$240 billion in tax cuts, over seven years, with middle-class America absorbing most of the burden. Some capital gains tax reductions are being considered as well. The White House is looking for \$63 billion in middle-class tax cuts, with an additional \$30 billion cut if "good" economic conditions prevail. The White House has also slotted most of the cuts and tax reductions to appear in the far end of the seven-year balanced budget cycle. But unless spending is curtailed even

further, no sooner would the budget balance than the tax cuts would threaten to unbalance it anew. Proposed cuts would affect such target areas as health care, welfare, and domestic appropriations and would continually increase over the seven year period with no end in sight. It is not clear whether or not continued large spending cuts could be sustained; thus budget reform might be possible only at the cost of economic chaos.

This economic balancing act is further complicated by Medicare, Medicaid and other entitlement programs stretched over the seven year period. In the later years of the balanced budget program the federal government may be forced to borrow more money to cover the costs of all these entitlements.

This would boost payments on the national debt, which would possibly drive interest rates higher than levels suggested by the Congressional Budget Office. Many of the promises and stalemates which have deadlocked this budget debate are further fueled by the approaching election year; extremist policies, rather than a broad base of fiscal efforts across all social and economic groups, remain in the forefront of this budget dispute. A balanced budget would surely be a reform, but with the potential cost of continuing chaos.

### **There Is Revolution Growing Within The Reform**

Though the government is, in theory, "back to work," the trickle-down effect of the government furlough caused by the budget meltdown is still felt on a daily

basis. Many businesses, particularly the small independents, have found themselves an integral part of the budget dilemma. In some cases, canceled work orders have driven contract revenues from \$15,000-\$20,000 per week to zero. Layoffs and company furloughs are becoming real time economic measures.

For Republicans who claim small businesses among their most important constituents, this commercial instability could cost them more than a balanced budget during the November elections. In trying to offset welfare costs, the threat of commercial failure could greatly increase unemployment numbers. In addition, the elevated lines of credit necessary to sustain business revenues until stability returns to government spending could raise the debt and influence interest rates. Some companies will never recover from these financial setbacks. All these concerns are issues government "leaders" are battling to keep in line. But promises of a balanced budget by 2002 are hardly an incentive for independent companies to remain in business with the federal government, especially when frequent layoffs, lower revenues, and declining profits appear to be their only dividend. The long-term trend may see more companies looking for market opportunities well beyond the reach of an unstable federal government.

### **Illusion - Balanced Budget Jeopardy**

All of the discussions, name-calling and political rhetoric surrounding this budget



process lends itself to either soap opera dramatics or game show glitz. Because these antics involve the federal government extending its "contestants" the benefit of the doubt, a game show seems to be the more appropriate analogy, with *Jeopardy!* the most obvious model. Seen on television each weekday and Saturday evening, *Jeopardy!* is one of the most popular game shows to date. But what might the board read if the game were *Balanced Budget Jeopardy!*, with Congress and the White House as contestants and the dollar values well into the billions?

One category might be Budget Deficit Facts. For \$100 billion (this is federal spending, remember), the answer is: 24%, 56% & 69%. Question: What percent of the total budget did entitlement programs and federal interest payments amount to in 1963 and 1993, respectively, and---if present trends continue---what will the figure be in 2003? At their current rate of growth, entitlement and interest spending will leave a paltry 31% of federal monies for discretionary funds by the year 2003. These discretionary funds, of course, contain the information technology monies for all agency programs. Maybe this is why the game is called *Jeopardy!* Let's try Budget Deficit Facts for \$200 billion, Alex.

Our answer: **TAX HIKES, RECESSIONS, BUDGET FREEZES AND SPENDING CAPS.** The question: To date, what numerous legislative solutions have failed to solve the budget crisis? There have always been crisis contingencies to allocate funds for various programs, which take effect when a crisis boils over. Until now, however, such temperatures have always cooled before contingency plans could kick in. Let's close out the category with Budget Deficit Facts for \$300 billion.

Our answer: **36% BY THE YEAR 2002.** Question: According to the General Accounting Office, what would be the average real growth in income for Americans under a balanced budget? Though an impressive statistic, it's probably not prudent to calculate such growth into any long-term personal planning just yet.

Though still caught in debate and dissension, the balanced budget amendment will include serious economic repercussions for all Americans. The necessity of such legislation is indisputable, but how it should best be implemented, and which political prizes may have to be sacrificed to do so, creates the illusion that once the budget is balanced, it will remain balanced, with the deficit also under control.

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# Research Bulletin

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## Leading Integrators

### Federal Procurement Data System (FPDS) Reporting

The FPDS is the responsibility of the Office of Procurement Policy (OFPP). The Federal Acquisition Regulation (FAR) requires procurements exceeding \$25,000 be reported to the Federal Procurement Data Center (FPDC) — which is maintained by GSA. The agencies report procurement data, including the contract obligation amount — the amount the federal government has agreed to pay for a specified product or service. This does not necessarily indicate the amount of money spent, or the potential value of a contract.

INPUT recognizes, as the GAO has pointed out, the inadequacies of the FPDC data, but believes the data can serve as a useful gauge of vendor presence in the federal systems integration marketplace.

### Methodology

INPUT analyzed the federal systems integration market from July 1994 to June 1995. Exhibit 1 lists the product and service codes (PSCs) used to define the systems integration market. The PSC describes the work being performed on a contract. This approach reveals which business areas have received the most contracting activity.

Exhibit 1

#### Product/Service Codes

<input type="checkbox"/> 7010	ADP Configuration
<input type="checkbox"/> D302	ADP Systems Development Services
<input type="checkbox"/> D306	ADP Systems Analysis Services
<input type="checkbox"/> D307	Auto IS Design and Integration Svcs
<input type="checkbox"/> D311	ADP Data Conversion Services
<input type="checkbox"/> D316	Telecom Network Management Svcs
<input type="checkbox"/> D399	Other ADP and Telecom Services
<input type="checkbox"/> R414	Systems Engineering Services
<input type="checkbox"/> R426	Communications Services
<input type="checkbox"/> R499	Other Professional Services

Source: INPUT

Exhibit 2 represents the top 20 vendors/integrators across all executive agencies. The top 20 agencies are ranked by total expenditures in Exhibit 3. The remaining exhibits show the top 10 vendors/integrators by agency. INPUT used total dollars reported for each corporation. All dollar values are rounded to the nearest million.

Exhibit 2

## Top Federal Integrators

Rank	Contractor	1995
1	Teledyne	1,003
2	Ebasco Services	671
3	CSC	569
4	SAIC	405
5	Boeing	369
6	EDS	299
7	CDSI	219
8	TRW	194
9	Loral	193
10	PRC	181
11	IBM	152
12	Unisys	131
13	BDM	113
14	AT&T	103
15	Martin Marietta	101
16	Lockheed	91
17	McDonnell Douglas	91
18	Cray Research	82
19	Booz-Allen & Hamilton	69
20	DynCorp	69

Source: FPDC, \$ Million

Exhibit 3

## Top Agency Expenditures

Rank	Agency	1995
1	TVA	1,720
2	Air Force	1,443
3	Army	1,222
4	Defense	1,009
5	Navy	941
6	NASA	457
7	Treasury	252
8	Justice	237
9	Energy	186
10	GSA	177
11	USDA	140
12	Commerce	138
13	Education	134
14	State	133
15	EPA	92
16	HHS	87
17	Interior	85
18	FEMA	56
19	HUD	50
20	VA	25

Source: FPDC, \$ Million

Exhibit 4

**Army**

Rank	Contractor	1995
1	SAIC	249
2	Boeing	137
3	EDS	109
4	CSC	81
5	Loral	40
6	DynCorp	34
7	TRW	32
8	PRC	31
9	Pacific Architects Engineers	30
10	Logicon R&D Associates	26

Source: FPDC, \$ Million

Exhibit 6

**Defense**

Rank	Contractor	1995
1	CSC	193
2	BDM	99
3	EDS	73
4	AT&T	69
5	Martin Marietta	61
6	Alascom	51
7	MCI	45
8	Unisys	42
9	Deutsche Bundespost	33
10	Comsat	22

Source: FPDC, \$ Million

Exhibit 5

**Commerce**

Rank	Contractor	1995
1	PRC	36
2	Cray Research	20
3	Research and Data Systems	8
4	Industrial Economics	7
5	Andersen Consulting	7
6	CSC	6
7	CDSI	5
8	SAIC	5
9	Global Management Systems	3
10	Tricor Industries	3

Source: FPDC, \$ Million

Exhibit 7

**Education**

Rank	Contractor	1995
1	E-Systems	37
2	CDSI	30
3	American College Testing	22
4	College Entrance Examination	11
5	Concept Automation	8
6	Pinkerton Computer Consultants	5
7	National Computer Systems	4
8	SYSCON	4
9	Pennsylvania Higher Education	3
10	SYS Corporation	1

Source: FPDC, \$ Million

Exhibit 8

**Energy**

Rank	Contractor	1995
1	CDSI	97
2	Dyncorp	11
3	Response Analysis	10
4	Tresp Associates	9
5	PAI	7
6	Columbia Services Group	6
7	Westat	5
8	World Computer Systems	5
9	Source One Management	4
10	Greenbar	3

Source: FPDC, \$ Million

Exhibit 9

**EPA**

Rank	Contractor	1995
1	SAIC	37
2	ICF	9
3	IBM	7
4	Labat-Anderson	6
5	AT Keamey	6
6	Cray Research	5
7	TRC Environmental	5
8	DEC	5
9	Techlaw	2
10	Network Management	2

Source: FPDC, \$ Million

Exhibit 10

**FEMA**

Rank	Contractor	1995
1	CSC	10
2	538 W Street Company	8
3	Suncoast Associates	8
4	Vulcan Services	6
5	National Contracting Services	6
6	Government Micro Resources	6
7	UCS	2
8	Bell Atlantic	2
9	Titan	1
10	Systems Research & Applications	1

Source: FPDC, \$ Million

Exhibit 11

**GSA**

Rank	Contractor	1995
1	CDSI	76
2	Applied Technology Associates	13
3	Booz-Allen & Hamilton	10
4	CSC	10
5	Unisys	9
6	EER Systems	6
7	Ameritech	4
8	Systems and Applied Sciences	3
9	Howard University	3
10	CTA	2

Source: FPDC, \$ Million



Exhibit 12

**HHS**

Rank	Contractor	1995
1	Bendix Field Engineering	29
2	ROW Sciences	7
3	Orkand	7
4	Unisys	4
5	Management System Application	3
6	Information Management Service	3
7	Severn Companies	3
8	System Research Applications	3
9	IBM	2
10	AAC Associates	2

Source: FPDC, \$ Million

Exhibit 13

**HUD**

Rank	Contractor	1995
1	Advanced Technology Systems	21
2	AMS	9
3	National Computer Systems	7
4	ARC Professional Services Group	4
5	KCM Computer Consulting	3
6	Management Technology	2
7	Unisys	2
8	Computer Based Systems	2
9	ICF	1
10	QSOFT	<1

Source: FPDC, \$ Million

Exhibit 14

**Interior**

Rank	Contractor	1995
1	CSC	55
2	AMS	3
3	Kestrel Associates	2
4	Computer Based Systems	2
5	Recom Technologies	2
6	Price Waterhouse	2
7	SETA	1
8	Federal Data Systems	1
9	I-Net	1
10	Productive Data Systems	1

Source: FPDC, \$ Million

Exhibit 15

**Justice**

Rank	Contractor	1995
1	SAIC	31
2	Dynamic Decisions	28
3	CACI	13
4	Mnemonic Systems	13
5	Pulsar Data Systems	10
6	Harris	10
7	Tisoft	10
8	Unisys	10
9	CCL	8
10	Data Transformation	7

Source: FPDC, \$ Million

Exhibit 16

**NASA**

Rank	Contractor	1995
1	Loral	104
2	CSC	93
3	Cray Research	42
4	IBM	29
5	Silicon Graphics	19
6	Recom Technologies	17
7	Tricor	13
8	Government Micro Resources	13
9	Grumman	12
10	Unisys	11

Source: FPDC, \$ Million

Exhibit 17

**Navy**

Rank	Contractor	1995
1	McDonnell Douglas	78
2	PRC	66
3	EDS	61
4	Westinghouse	36
5	Boeing	35
6	EG&G Wash Analytical Services	29
7	Ingalls Shipbuilding	27
8	Syscon	23
9	Booz-Allen & Hamilton	21
10	DEC	21

Source: FPDC, \$ Million

Exhibit 18

**State**

Rank	Contractor	1995
1	DynCorp	20
2	CSC	19
3	Wang	18
4	American Institute in Taiwan	13
5	AMR Technical Mgmt Services	8
6	Federal Data Corporation	7
7	Orkand	6
8	Mantech Advanced Systems	5
9	Information Management Cons	5
10	Statistica	3

Source: FPDC, \$ Million

Exhibit 19

**Treasury**

Rank	Contractor	1995
1	IBM	60
2	Federal Data Corporation	31
3	Grumman	19
4	TRW	17
5	ViaTech Systems	13
6	Unisys	12
7	Software Control	9
8	Management Systems Designers	7
9	EDS	6
10	Ellsworth Associates	6

Source: FPDC, \$ Million

Exhibit 20

**TVA**

Rank	Contractor	1995
1	Teledyne	1,000
2	Ebasco Services	671
3	Stone & Webster Engineering	19
4	Institute of Nuclear Power Oper	4
5	Oracle	4
6	Performance Controls	3
7	SAIC	3
8	United Energy Services	3
9	CDSI	3
10	System Works	2

Source: FPDC, \$ Million

Exhibit 22

**USDA**

Rank	Contractor	1995
1	Marshall & Swift	44
2	NYMA	17
3	Cincinnati Bell Info. Systems	12
4	IBM	11
5	Micro Star Company	7
6	Computer Consulting Operations	5
7	Research Management Cons	4
8	EDS	4
9	Alta Systems	4
10	Pulsar Data Systems	3

Source: FPDC, \$ Million

Exhibit 21

**Air Force**

Rank	Contractor	1995
1	Boeing	176
2	TRW	120
3	Lockheed	82
4	SAIC	54
5	Eaton	51
6	CSC	49
7	Loral	48
8	Rockwell International	46
9	Zenith Data Systems	42
10	PRC	38

Source: FPDC, \$ Million

Exhibit 23

**VA**

Rank	Contractor	1995
1	Federal Data Corporation	12
2	Lockheed	6
3	AMS	4
4	Andersen Consulting	<1
5	Sungard Recovery Services	<1
6	Primedica	<1
7	Dynamic Analysis & Test Assoc.	<1
8	Unisys	<1
9	HFSI	<1
10	DEC	<1

Source: FPDC, \$ Million

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## Acquisition Reform: Details and Impact

### Reform Intent

Both the Federal Acquisition Reform Act of 1996 and the Information Technology Management Reform Act of 1996, contained in the National Defense Authorization Act of 1996, usher in a new era of acquiring and managing information technology (IT). By streamlining purchasing practices and eliminating cumbersome regulations, the reform is intended to solve the following problems:

- ☐ Oversight too late in process
- ☐ Dual review slows down process
- ☐ Alternative or reengineered work processes not considered before automating
- ☐ Obsolete technology in use
- ☐ Wasteful IT spending
- ☐ Poor mission/program performance
- ☐ Government-wide expertise not leveraged
- ☐ Non-incremental approach to systems acquisition.

The reform places responsibility and accountability squarely on the agencies, while easing their regulatory burden:

- ☐ Brooks Act repeal shifts responsibility from GSA to agencies

- ☐ Agencies can buy systems in smaller, incremental phases
- ☐ OMB Director and Chief Information Officers (CIO) to be held accountable
- ☐ Simplified procedures for buying commercial off-the-shelf (COTS) items valued up to \$5 million
- ☐ Office of Federal Procurement Policy (OFPP) can waive any special government contract clauses for COTS items
- ☐ Agencies can limit which suppliers go into negotiation after initial proposals received.

### Reform Act Comparison

A comparison of the old acquisition way versus the new reformed way is shown in Exhibit I. Even with the demise of GSA's authority per the Brooks Act, expect GSA to be involved in developing regulations implementing the IT management reforms. Although GSA's Federal Information Resources Management Regulation (FIRMR) will be dismantled pursuant to the new legislation, some of its content may be incorporated into the Federal Acquisition Regulation (FAR).

We expect GSA to move out on three fronts:

- ☐ FTS2000 follow-on procurement
- ☐ GSA Advantage! expansion

- ❑ Innovative contracting approach exploration.

## Reform Details

Specifics on the reforms are outlined in Exhibit II. Ramifications INPUT sees are in italics.

## Next Steps

The bulk of the reform is to be implemented in 180 days from the President's signing on February 10, 1996. Look for OMB to:

- ❑ Issue memorandum on CIOs
- ❑ Set up interagency groups
- ❑ Promote capital planning and modular projects through OMB Circulars, GSA Regulations and the FAR
- ❑ Educate agencies, OMB staff, Congressional staff, Industry and Press
- ❑ Setup pilot programs for experimental acquisition concepts.

Look for the agencies to do the following:

- ❑ Study the statute to determine their level of acquisition discretion
- ❑ Select CIOs
- ❑ Scramble to participate in interagency groups
- ❑ Connect their planning efforts to the budget process.

## Impact Analysis

The Federal Aviation Administration (FAA) has sent forth acquisition reform changes that reduce the number of agency documents and pages governing acquisition by 50 percent and

they expect to achieve a total reduction of 80-90 percent. Other agencies will follow and vendors will be impacted as follows:

- ❑ **Procurements become more of a relationship buy** — this favors larger vendors and drives vendors to lure more government employees away
- ❑ **Vendor capture costs to increase** — agencies to let series of smaller contracts; thereby, reducing pricing margins afforded by large, multi-year contracts
- ❑ **Blink and you miss opportunities** — agencies filter out majority of bidders, and start awarding within 180 days and expect delivery 18 months later
- ❑ **Subcontractors at risk** — over elimination of certain certification requirements
- ❑ **Procurement process less predictable** — FIRMR to go away
- ❑ **IRM plans become real** — now that IRM plans are tied to agency budgets
- ❑ **Capital expenditures easier to identify** — we expect A-11 changes to track major capital investments better
- ❑ **Outsourcing opportunities grow** — in their capital planning, agency heads must determine whether to privatize, outsource or insource
- ❑ **Electronic Commerce deployment slows** — agencies allowed to slip FACNET implementation till 2000
- ❑ **Local services has potential over FTS2000** — FTS2000 saved under GSA is limited opportunity to big players, but local telecommunications future up-in-air, could prove a huge opportunity for many vendors.

## Exhibit I

## Brooks Act - IT Management Reform Act (ITMRA) Comparison

Aspect	Brooks Act Era ('65-'95)	ITMRA Era ('96 →)
Focus	Technology and Process	Mission, Cost-effectiveness and Performance
Emphasis	Single Agency Solutions	Interagency Coordination Sharing of Expertise
Procurement Authority	Split	Agencies
Accountability	Diffuse	Agencies
Enforcers	GSA	OMB Director and CIOs
Accountability Tactics	GSA Exclusive IT Procurement Authority	Agency Budget-linked Capital Planning and Investment Control Agency Performance and Results-based Management
Protest Jurisdiction	GSBCA	GAO
Implementation Tactics	Massive, Multi-year Systems Development	Modular 12-18 month IT Infusions
Regulation Tactics	DPA FIRMR	no-DPA FIRMR on way out
Acquisition Tactics	Agency investment	Multi-agency investment
Acquisition Process	Prove acquisition integrity	Prove mission/business processes Plan before purchasing
Negotiation Tactics	All bidders through process	Bidders excluded after initial proposals
COTS	Option	Preferred approach
Industry Communications	Cautious	Encouraged

Source: INPUT



## Exhibit II

**Federal Acquisition Reform Act (FASA II) and IT Management Reform Act (ITMRA) Details**

Title/Section	Key Points
<b>Title Federal Acquisition Reform</b>  4001 Short Title	This division represents the <i>Federal Acquisition Reform Act of 1996</i> .
4101 Efficient Competition	"The Federal Acquisition Regulation (FAR) shall ensure that the requirement to obtain full and open competition is implemented in a manner that is consistent with the need to efficiently fulfill the Government's requirements."
4102 Efficient Approval Procedures	<p>Raised limits on when higher approval is needed — to \$500,000 (but equal to or less than \$10,000,000) from \$100,000 (but equal to or less than \$1,000,000).</p> <p>Raised limits on when higher approval is needed — to \$10,000,000 (but equal to or less than \$50,000,000) from \$1,000,000 (but equal to or less than \$10,000,000).</p>
4103 Efficient Competitive Range Determinations	"If the contracting officer determines that the number of offerors that would otherwise be included in the competitive range under subparagraph (A)(i) exceeds the number at which an efficient competition can be conducted, the contracting officer may limit the number of proposals in the competitive range, in accordance with the criteria specified in the solicitation, to the greatest number that will permit an efficient competition amount the offerors rated most highly in accordance with such criteria."
4104 Preaward Debriefings	"When the contracting officer excludes an offeror submitting a competitive proposal from the competitive range (or otherwise excludes such an offeror from further consideration prior to the final source selection decision), the excluded offeror may request in writing, within three days after the date on which the excluded offeror receives notice of its exclusion, a debriefing prior to award. The contracting officer shall make every effort to debrief the unsuccessful offeror as soon as practical but may refuse the request for a debriefing if it is not in the best interests of the Government to conduct a debriefing at that time."
<b>Title XLII Commercial Items</b>  4201 Commercial Item Exception to Requirement for Certified Cost or Pricing Data	<p>Certified cost or pricing data is no longer required by statute.</p> <p>The head of the procuring activity may require certified cost or pricing data.</p>
4202 Application of Simplified Procedures to Certain Commercial Items	<p>Simplified procedures may be used for acquisitions under \$5,000,000.</p>

Source: INPUT



## Exhibit II (cont'd)

**Federal Acquisition Reform Act (FASA II) and IT Management Reform Act (ITMRA) Details**

<b>Title/Section</b>	<b>Key Points</b>
<b>4203 Commercially Available Off-the-Shelf Item</b> <b>Acquisitions: Lists of Inapplicable Laws in FAR</b>	<p>The FAR shall include a list of provisions of law that are inapplicable to contracts for the procurement of commercially available off-the-shelf items. 'Commercial off-the-shelf item' means the item is:</p> <ul style="list-style-type: none"> <li>• a commercial item</li> <li>• sold in substantial quantities in the commercial marketplace</li> <li>• offered to the Government, without modification, in the same form in which it is sold in the commercial marketplace.</li> </ul>
<b>Title XLIII</b> <b>Additional Reform Provisions</b>  <b>4301 Elimination of Certain Certification Requirements</b>	<p>"Not later than 210 days after the date of the enactment of this Act, the Administrator for Federal Procurement Policy shall issue for public comment a proposal to amend the Federal Acquisition Regulation to remove from the Federal Acquisition Regulation certification requirements for contractors and offerors that are not specifically imposed by statute."</p> <p>The heads of executive agencies have to do the same with agency procurement regulations.</p>
<b>4302 Authorities Conditioned on FACNET Capability</b>	<p>Executive agencies now have till January 1, 2001 to use full FACNET capability.</p> <p>Removed FASA incentives for achieving immediate, interim FACNET capability.</p>
<b>4304 Procurement Integrity</b>	<p>Restrictions on employment of former government employees apply to procurements above \$10,000,000. These government employees are under a one year ban.</p> <p>Criminal fines of no more than 5 years imprisonment.</p> <p>Civil fines for individuals up to \$50,000 plus two times the unlawful compensation.</p> <p>Civil fines for corporations up to \$500,000 plus two times the unlawful compensation.</p>

Source: INPUT

## Exhibit II (cont'd)

**Federal Acquisition Reform Act (FASA II) and IT Management Reform Act (ITMRA) Details**

<b>Title/Section</b>	<b>Key Points</b>
<b>Title LI Responsibility for Acquisitions of IT</b>  5001 Short Title	This division represents the <i>Information Technology Management Reform Act of 1996</i>
5002 Definitions	IT broadly defined as "any equipment or interconnected system or subsystem of equipment, that is used in the automatic acquisition, storage, manipulation, management, movement, control, display, switching, interchange, transmission, or reception of data or information by the executive agency. For purposes of the preceding sentence, equipment is used by the executive agency if the equipment is used by the executive agency directly or is used by a contractor under a contract with the executive agency which (i) requires the use of such equipment, or (ii) requires the use, to a significant extent, of such equipment in the performance of a service or the furnishing of a product."
5101 Repeal	Eliminated the central procurement control of GSA.
<b>5112 Capital Planning and Investment Control</b>	<p>OMB Director to be "responsible for improving the acquisition, use and disposal of information technology by the Federal Government to improve the productivity, efficiency and effectiveness of Federal programs."</p> <p>OMB Director must track, as part of the budget process, all major capital investments made by an executive agency for information systems. <i>This has A-11 implications.</i></p> <p>OMB Director must submit annual report to Congress on the benefits of the IT investments made and how those investments accomplish agency goals.</p> <p>National Institute of Standards and Technology (NIST) standards and guidelines pertaining to Federal computer systems must be developed.</p> <p>OMB Director shall designate one or more executive agency heads as "executive agent" for Government-wide acquisitions of IT.</p> <p>OMB Director shall encourage "best practices" in IT acquisition.</p> <p>OMB Director shall assess, on a continuing basis, other models for managing information technology.</p> <p>OMB Director shall compare and disseminate agency performance in using IT.</p> <p>OMB Director shall monitor the development and implementation of training in information resource management for executive agency personnel.</p>

Source: INPUT

## Exhibit II (cont'd)

**Federal Acquisition Reform Act (FASA II) and IT Management Reform Act (ITMRA) Details**

Section	Key Points
5113 Performance-based and Results-based Management	<p>OMB Director is now tasked with evaluating the performance and results of agency IT investments. <i>OMB replaces GSA as "bad guy".</i></p> <p>In their capital planning, before making investment in new system, agency heads must determine whether to privatize the function or if the function should be performed by the agency, whether the function should be contracted out or performed by agency personnel. <i>A-76 process gets used more.</i></p> <p>OMB Director is to issue guidance regarding multi-agency investments in IT.</p> <p>OMB Director will do periodic reviews, via the budget process, of selected information resources management activities of the executive agencies.</p> <p>OMB Director "may take any authorized action that the Director considers appropriate, including an action involving the budgetary process or appropriations management process, to enforce accountability" of an agency head for IT management. Enforcement options include:</p> <ul style="list-style-type: none"> <li>• recommending reduction or increase in IT resources</li> <li>• reducing/adjusting apportionment of appropriations for IT</li> <li>• using administrative controls to restrict availability of funds</li> <li>• designating that agency contract for IT acquisition/management.</li> </ul>
5122 Capital Planning and Investment Control	<p>Each agency head is tasked with designing and implementing a process for maximizing the value and managing the risks of IT acquisitions. The process must:</p> <ul style="list-style-type: none"> <li>• provide for the selection, management and evaluation of the results of IT investments</li> <li>• be integrated with the budget process</li> <li>• include minimum criteria related to quantitatively expressed projected net, risk-adjusted return on investment and comparing/prioritizing alternative projects</li> <li>• identify investments that would result in shared benefits or costs for other Federal agencies or State or local governments</li> <li>• include quantifiable measurements for determining the net benefits and risks of the investment</li> <li>• provide means for timely progress information, such as milestones in terms of cost, capability of the system to meet specified requirements, timeliness, and quality.</li> </ul>

Source: INPUT



## Exhibit II (cont'd)

**Federal Acquisition Reform Act (FASA II) and IT Management Reform Act (ITMRA) Details**

Section	Key Points
5123 Performance and Results-based Management	<p>Each agency head shall:</p> <ul style="list-style-type: none"> <li>• establish goals for improving the efficiency and effectiveness of agency operations and, as appropriate, the delivery of services to the public through the effective use of IT</li> <li>• prepare an annual report, to be included in the executive agency's budget submission to Congress, on the progress in achieving the goals</li> <li>• ensure that performance measurements are prescribed for IT used by or to be acquired for, the executive agency and that the performance measurements measure how well the IT supports programs of the executive agency</li> <li>• where comparable processes and organizations in the public or private sectors exist, quantitatively benchmark against such processes in terms of cost, speed, productivity, and quality of outputs and outcomes</li> <li>• analyze the missions of the executive agency and, based on the analysis, revise the executive agency's mission-related processes and administrative processes as appropriate before making significant investments in IT that is to be used in support of the performance of those missions</li> <li>• ensure that the information security policies, procedures, and practices of the executive agency are adequate.</li> </ul>
5124 Acquisitions of IT	<p>Agency head has authority to acquire IT directly.</p> <p>Agency head has authority to enter into contract for multi-agency acquisitions of IT.</p> <p>The OMB Director may mandate agencies use multi-agency contracts or seek a waiver.</p> <p>GSA to continue to manage the FTS2000 program.</p>
5125 Agency CIO	<p>Authorizes the establishment of CIO at each executive agency.</p> <p>CIO is responsible for:</p> <ul style="list-style-type: none"> <li>• providing advice and other assistance to the head of the executive agency and other senior management personnel of the executive agency to ensure that IT is acquired and information resources are managed for the executive agency in a manner that implements the policies and procedures of this division, consistent with chapter 35 of title 44, United States Code (Paperwork Reduction Act), and the priorities established by the head of the executive agency</li> <li>• developing, maintaining, and facilitating the implementation of a sound and integrated IT architecture for the executive agency</li> <li>• promoting the effective and efficient design and operation of all major information resources management processes for the executive agency, including improvements to work processes of the executive agency.</li> </ul>

Source: INPUT

## Exhibit II (cont'd)

**Federal Acquisition Reform Act (FASA II) and IT Management Reform Act (ITMRA) Details**

Section	Key Points
5125 Agency CIO (cont'd)	<p>CIO duties and qualifications include:</p> <ul style="list-style-type: none"> <li>• having information resources management duties as the official's primary duty</li> <li>• monitoring the performance of IT programs</li> <li>• advising the agency head whether to continue, modify, or terminate a project</li> <li>• performing an annual assessment of the knowledge and skill of agency IT personnel and their ability to meet agency requirements</li> <li>• rectifying deficiencies through hiring, training, and professional development.</li> </ul>
5126 Accountability	<p>Head of each agency, in consultation with the CIO and CFO, shall establish procedures to ensure that accounting /financial systems are:</p> <ul style="list-style-type: none"> <li>• used effectively</li> <li>• ensure financial and related program performance data are available to executive agency financial management systems</li> <li>• ensure that financial statements support assessments of mission-related processes and performance measurements.</li> </ul>
5127 Significant Deviations	<p>Any IT program that significantly deviates from cost, performance or schedule goals must be identified in the strategic IRM plan.</p>
5128 Interagency Support	<p>Agency funds may be used to support interagency IT groups.</p>
5131 Responsibilities Regarding Efficiency, Security, and Privacy of Federal Computer Systems	<p>Secretary of Commerce, working with NIST, shall promulgate standards and guidelines for federal computer systems.</p> <p>Agency head may apply more stringent standards.</p> <p>Secretary of Commerce may waive standards if compliance would adversely affect the accomplishment of the mission or cause a major adverse financial impact which is not offset by Government-wide savings.</p>
5132 Sense of Congress	<p>"It is the sense of Congress that, during the next five-year period beginning with 1996, executive agencies should achieve each year at least a 5 percent decrease in the cost (in constant fiscal year 1996 dollars) that is incurred by the agency for operating and maintaining IT and each year a 5 percent increase in the efficiency of the agency operations, by reason of improvements in information resources management by the agency".</p>
5141 Applicability to National Security Systems	<p>Basically, Act does not apply to national security systems (except for sections 5123, 5125, 5126 and, to the extent practical, 5112/5122).</p>

Source: INPUT



## Exhibit II (cont'd)

**Federal Acquisition Reform Act (FASA II) and IT Management Reform Act (ITMRA) Details**

Section	Key Points
5142 National Security System Defined	<p>National security system means any telecommunications or information systems which:</p> <ul style="list-style-type: none"> <li>• involve intelligence activities</li> <li>• involve cryptologic activities related to national security</li> <li>• involve command and control of military forces</li> <li>• involve equipment that is an integral part of a weapon or weapons system</li> <li>• subject to subsection (b), is critical to the direct fulfillment of military or intelligence missions [subsection (b) exempts routine administrative and business applications].</li> </ul>
<p>Title LII Process for Acquisition of IT</p> <p>5201 Procurement Procedures</p>	<p>FAR Council is tasked with ensuring that the process for IT acquisition "is a simplified, clear and understandable process" that specifically addresses risk and the need to incorporate commercial IT.</p>
5202 Incremental Acquisition of IT	<p>Agencies should use "modular contracting" to acquire major IT systems; "grand projects" are discouraged.</p> <p>Modular contracting means an agency's need for a system is satisfied in successive acquisitions of interoperable increments; the increments are compatible with other increments of IT comprising the system.</p> <p>FAR is to be amended as follows:</p> <ul style="list-style-type: none"> <li>• under the modular contracting process, an acquisition of a major system of IT may be divided into several smaller acquisition increments that <ul style="list-style-type: none"> <li>⇒ are easier to manage individually than would be one comprehensive acquisition</li> <li>⇒ address complex IT objectives incrementally in order to enhance the likelihood of achieving workable solutions for attainment of those objectives</li> <li>⇒ provide for delivery, implementation, and testing of workable systems or solutions in discrete increments each of which comprises a system or solution that is not dependent on any subsequent increment in order to perform its principal functions</li> <li>⇒ provide an opportunity for subsequent increments of the acquisition to take advantage of any evolution in technology or needs that occur during conduct of the earlier increments</li> </ul> </li> <li>• A contract for an increment of an IT acquisition should, to the maximum extent practicable, be awarded within 180 days after the date on which the solicitation is issued and, if the contract for that increment cannot be awarded within such period, the increment should be considered for cancellation</li> <li>• the IT provided for in a contract for acquisition of IT should be delivered within 18 months after the date on which the solicitation resulting in award of the contract was issued.</li> </ul>

Source: INPUT

## Exhibit II (cont'd)

**Federal Acquisition Reform Act (FASA II) and IT Management Reform Act (ITMRA) Details**

Section	Key Points
<b>Title LIII IT Acquisition Pilot Programs</b>  <b>5301 Authority to Conduct Pilot Programs</b>	<p>OFFP Administrator is authorized to conduct pilot IT programs.</p> <p>Two programs are authorized:</p> <ul style="list-style-type: none"> <li>• share-in-savings</li> <li>• Solutions-based contracting</li> </ul> <p>Aggregate value of contracts under the program may not exceed \$750,000 for 5 years</p>
<b>5302 Evaluation Criteria and Plans</b>	<p>Before commencing pilot program, OFPP Administrator must submit a detailed test plan to Congress (including any regulations that may be waived).</p>
<b>5303 Report</b>	<p>Within 180 days after completion of pilot program, OFPP Administrator must submit a report on the results to the Director and Congress.</p>
<b>5304 Recommended Legislation</b>	<p>If the OMB Director determines that, as a result of pilot program, new legislation is necessary, he may propose recommendations to Congress.</p>
<b>5311 Share-In-Savings Pilot Program</b>	<p>OFPP Administrator may authorize two executive agencies to contract on a competitive basis with private sector source on a solution to improve Government processes, and to pay that source a portion of the savings.</p> <p>Not more than 5 contracts for the project may be awarded.</p>
<b>5312 Solutions-Based Contracting Pilot Program</b>	<p>OFPP may authorize any number of agencies to use this approach.</p> <p>Defined as approach where Government user defines acquisition objectives, a streamlined source selection process is used, and industry sources provide solutions to attain the objectives effectively.</p> <p>Process requirements are:</p> <ul style="list-style-type: none"> <li>• acquisition plan emphasizing desired result</li> <li>• results-oriented SOW</li> <li>• small acquisition organization</li> <li>• use or source selection factors emphasizing source qualifications and costs</li> <li>• open communications with contractor community</li> <li>• simple solicitation</li> <li>• simple proposals (qualifications, past performance, conceptual approach, costs)</li> <li>• simple evaluation (completion within 45 days after receipt of proposals) — oral presentations by and discussions with at least 3 and not more than 5 offerors</li> <li>• selection of most qualified offeror — conduct of program definition phase (30-60 days); if most qualified offeror's plan fails, agency should work with next most qualified offeror</li> <li>• system implementation phasing</li> <li>• mutual authority to terminate without penalty at the end of each phase</li> <li>• time management (contract award within 105-120 days after solicitation issuance)</li> </ul> <p>GAO charged with monitoring the conduct/results of the pilot program.</p>

Source: INPUT



## Exhibit II (cont'd)

**Federal Acquisition Reform Act (FASA II) and IT Management Reform Act (ITMRA) Details**

<b>Section</b>	<b>Key Points</b>
<b>Title LIV Additional IRM Matters</b>	Before January 1, 1998, GSA Administrator shall provide Government-wide on-line computer access via FACNET to MAS products and services.
<b>5401 On-line MAS Contracting</b>	<p>System must provide basic information on prices, features and performance, and permit orders equal to 60 percent of the total amount spent for all MAS orders in the fiscal year.</p> <p>OFPP Administrator may establish pilot program to test streamlined procedures through the FACNET/MAS system:</p> <ul style="list-style-type: none"> <li>• one such procedure would limit negotiations to terms other than price</li> <li>• another procedure would allow vendor to adjust price unilaterally</li> <li>• another procedure would permit MAS award to any responsible offeror with a good record of past performance that agrees to update prices electronically</li> <li>• GAO is required to issue report on pilot program 3 years after it is established.</li> </ul>
<b>5402 Identification of Excess and Surplus Computer Equipment</b>	<p>Head of executive agency is required to inventory all computer equipment 6 months after date of Act's enactment.</p> <p>Inventory of excess or surplus equipment must be maintained.</p>
<b>Title LV Procurement Protest Authority of the Comptroller General</b>	Changes certain deadlines in GAO protests:
<b>5501 Period of Processing Protests</b>	<ul style="list-style-type: none"> <li>• agency reports are due 30 calendar days after notice of protests instead of 35 calendar days</li> <li>• GAO must issue decisions on protests within 100 calendar days after filing instead of 125 calendar days.</li> </ul>
<b>Title LVII Effective Date, Savings Provisions and Rules of Construction</b>	IT provisions take effect 180 days after enactment (i.e. on August 9, 1996).
<b>5701 Effective Date</b>	
<b>5702 Savings Provisions</b>	Contracts, orders, proceedings, determinations in effect on the effective date shall continue in effect until suspended, set aside or revoked.

Source: INPUT

This Research Bulletin is issued as part of INPUT's Federal Information Technology Market Analysis Program. If you have questions or comments on this bulletin, please call your local INPUT organization or Otto Doll at 1921 Gallows Road, Suite 250, Vienna, VA 22182; tel. 703-847-6870



# Research Bulletin

A Publication from INPUT's Federal IT Market Analysis Program

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April 1996

## Year 2000: A Government in Denial

### Scope of the Problem

The Year 2000 problem relates to the fact that most computer software stores dates as two digits. The year "00" will cause sorting and date calculation errors unless software programs are coded using four digit years. Another problem could also crop up if programmers did not know that years divisible by 400 are leap years (i.e. this is an exception to years divisible by 100 which are not leap years).

Analysis has shown an average 3% of the lines of code contain date references. Forty per cent of these lines of code require expansion to ensure proper post-Year 2000 processing. These lines of code will affect 80% of the systems in an agency's application portfolio. Additionally, 60% of an agency's files will be impacted. Agencies will pay on average \$7.50 per line of code and \$1,000 per file.

### What Problem?

Besides the Social Security Administration (SSA), who started a 300 man-year effort to correct the Year 2000 problem in 30 million lines of code in 1989, most agencies are in denial. Surveys have found:

- ☐ Two-thirds of IT executives believe the Year 2000 problem is *not* a high priority,

- ☐ Three-fourths of program officials believe the problem is *not* a high priority,
- ☐ One-half of IT executives *will wait* until 1998 to start corrective actions,
- ☐ Besides SSA, *only Agriculture* has a procurement (RFP due May 1996) specifically for the Year 2000 problem.

The Office of Management and Budget (OMB) has reacted to this by getting SSA to chair the Year 2000 Inter-agency Committee to help agencies cope with the Year 2000 issue — which is sponsoring a Year 2000 conference for all government agencies on May 2, 1996 in Washington, DC. Most agencies are now represented and INPUT expects more affirmative action in the near term.

### Funding Landscape

The House Government Reform and Oversight Committee recently heard testimony on the Year 2000 issue. Unfortunately, even as the extent of the problem is made known to politicians, requests for additional funding will fall on deaf ears.

Federal agencies will spend only \$31.3 billion from FY96 through FY99 on total services contracted out. Of that, only \$7.7 billion are ear marked for software development. With estimates upward of \$30 billion to fix the Year

2000 problem in all of government, there is not enough money to address the problem.

Most federal agencies have not set aside money in their FY96 or FY97 budgets. We see IT Research and Development (R&D) and program office funding as the first areas raided to make up the shortfall. The political process will turn up the heat on agencies, but with no funding relief in sight.

## Who Fixes the Problem?

From the affected information technology (IT) landscape, vendors will have to fix Year 2000 problems that emanate from:

- ☐ Hardware microcode & operating systems,
- ☐ Embedded software in products,
- ☐ Subsystems (such as tape management systems, database management systems),
- ☐ Commercial-off-the-shelf (COTS) software.

Agencies are responsible for customized COTS but many agencies enlisted the support of a software development contractor(s) to customize software products/systems. In-house agency software developers may not be the only people to have created applications — contractors may have been used. Vendors will be heavily relied upon to fix Year 2000 problems emanating from “in-house” code.

## Solutions at Risk

The vendor domain solution set is:

- ☐ **Upgrade** — correct problem in some future product release,
- ☐ **Fix** — supply a “work-around” or temporary solution for the problem,
- ☐ **New** — correct problem in a new product.

Agencies are willing to install a new product release or apply a temporary fix to resolve the Year 2000 problem. Agencies are not expecting or willing to migrate to new products.

Problem areas in the vendor domain include:

- ☐ **Product well past its life-cycle** — vendor not driven to correct problem through upgrade or a fix unless easily done; migrating customers to new product leaves vendor open to disgruntled clients,
- ☐ **Original product manufacturer or developer out-of-business** — agency cannot find someone able to correct problem; agency must migrate to another product,
- ☐ **Product bought by another vendor** — vendor not easily able to correct problem through upgrade or a fix; migrating customers to new product is only solution.

The agency domain solution set is:

- ☐ **Reengineer function** — would at a minimum reduce the amount of corrections needed; too time consuming for many applications; agencies get the most for their money,
- ☐ **Replace application** — agencies get more for their money; may not be enough time if extensive conversion required,
- ☐ **Re-code application** — agencies spend money to “stay-in-place”; most emphasis is directed at this option,
- ☐ **Live with faults** — not an option if function deals with public safety; agencies will take “black eye” in press,
- ☐ **Drop function** — agencies will find few, if any, functions that can be dropped.

As time goes on, agencies will be driven to re-code applications. Only a few, aggressive agencies will reengineer. A fair number of application replacements will occur over the next three years.

Problem areas in the agency domain include:

- ☐ **Lack funding** — sufficient funds will not be forthcoming till problems start occurring,



- ❑ **Original product manufacturer or developer out-of-business** — agency cannot find someone able to correct problem; agency must migrate to another product,
- ❑ **Product correctable by only one or a few vendors** — leads to higher costs,
- ❑ **In-house product with minimal documentation/source code** — agencies pay a high price to replace application,
- ❑ **Product affects human safety** — agency applications under scrutiny by press and legislators; these get highest priority.

## The Legal Wild Card

When performing software modification services or software products, vendors must watch out for the following:

- ❑ **Software copyrights**
- ❑ **Contractual liability**
- ❑ **Tort liability**

Vendors need to determine if the agency has the right to modify the software and whether the agency has the right to hire someone other than the original software developer to perform the modifications. Most licenses prohibit third-party modifications of software. Even though an agency may own the software, the agency does not own the copyright unless a valid copyright assignment has been made. The Copyright Act grants owners of software, rights of essential step, fair use, first sale doctrine and private use. See your legal counsel for possible use of these by agencies to allow third-party software modification.

Legal issues will stem from contractual liability of express warranties and implied warranties. An express warranty is a statement presented as fact, a product description or a promise made concerning the software product. Vendors need to look at their transaction documents, product manuals

or sales/marketing materials for statements (i.e. "This product will take you into the next century and beyond.") that can be treated as an express warranty that the product at issue is Year 2000 compliant.

Implied warranties are:

- ❑ **Warranty of merchantability** — if a certain type of software would be expected to have a ten-year life span or would be used to calculate dates beyond the year 2000 in ordinary circumstances, failure to provide a year 2000-compliant product would constitute a breach of that warranty,
- ❑ **Warranty of fitness** — in the situation where a customer comes to a developer and asks for a particular type of system which would need to operate beyond the year 2000, failure of that developer to cause the system to be year 2000-compliant would constitute a breach of this warranty.

Tort liability occurs in the following forms:

- ❑ **Fraud and misrepresentation** — requires the agency to prove that the software vendor had intent to deceive and that the agency detrimentally relied on the deceptive representation,
- ❑ **Fraud in the inducement** — requires proof the agency was led to enter into a contract due to the fraudulent misrepresentations of the vendor,
- ❑ **Negligent misrepresentation** — not available in all states, requires proof of a special relationship between the agency and vendor in place of deceptive intent,
- ❑ **Professional malpractice** — may be possible with custom designed software which is developed by specialized software firms,
- ❑ **Negligent design and strict liability** — takes hold where non-year 2000

compliance leads to the personal injury of an individual (i.e. avionics or medical applications).

Vendors will be protecting themselves with:

- ❑ **Integration and merger clauses** — state clearly that the terms of the contract control and that representations not contained in the contract are inoperative,
- ❑ **Liquidated damages provisions** — include a reasonable estimate of damages should a breach of contract occur; recovery could also be limited to the repair or replacement of software.

Software purchasers will protect themselves with:

- ❑ **Performance warranties** — require the software vendor to provide some warranties stating that the software will

meet some objectively determined performance criteria,

- ❑ **Warrants of future performance** — make some provision for warranting future performance (i.e. test period to determine Year 2000 compliance).

## The Bottom Line

The road to the year 2000 is fraught with risk and opportunity. Our advice follows:

- ❑ **Patience** — agencies will not get into full swing until their budgets address the Year 2000 issue starting in FY98,
- ❑ **Seek legal counsel** — to help agencies use your services,
- ❑ **Seek legal counsel again** — to protect your company from liabilities.

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# Research Bulletin

A Publication from INPUT's Federal IT Market Analysis Program

Vol. V, No. 5

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## FY 1995 Leading 8(a)s

### Federal Procurement Data System (FPDS) Reporting

The FPDS is the responsibility of the Office of Procurement Policy (OFPP). The Federal Acquisition Regulation (FAR) requires procurements exceeding \$25,000 be reported to the Federal Procurement Data Center (FPDC) — which is maintained by GSA. The agencies report procurement data, including the contract obligation amount — the amount the federal government has agreed to pay for a specified product or service. This does not necessarily indicate the amount of money spent, or the potential value of a contract.

INPUT recognizes, as the GAO has pointed out, the inadequacies of the FPDC data, but believes the data can serve as a useful gauge of vendor presence in the federal marketplace.

### Methodology

INPUT analyzed the federal 8(a) spending during fiscal year 1995. Throughout this bulletin, the numbers in parenthesis next to company names represent the FY93 ranking.

Exhibit 1 represents the top 20 8(a)s across all executive agencies. The top 20 agencies using 8(a)s are ranked by total expenditures in

Exhibit 2. Analysis of the product and service codes (PSCs), the work being performed on a contract, is shown for 8(a)s in Exhibit 3. The top 20 states where 8(a) work takes place is shown in Exhibit 4. The remaining exhibits show the top 10 8(a)s by agency. All dollar values are in millions.

In all cases, the data reported represents 8(a)s as prime contractors — no subcontracting activity is included. Some companies have graduated from the 8(a) program, but are still reported as 8(a) companies by the agencies.

### Observations

Since FY93 the following has occurred:

- ☐ 12 new companies in top 20 8(a)s,
- ☐ FEMA and HUD replaced by EPA and VA in top 20 agencies,
- ☐ State and Treasury have not changed 8(a)s,
- ☐ 52% of work performed outside Washington, DC area.



Exhibit 1

**Top 8(a)s**

Rank	Prime Contractor	1995
1	NYMA (11)	90.1
2	InfoTec Development (5)	84.6
3	Government Micro Resources	72.0
4	Kestrel Associates	63.4
5	I-Net (2)	58.4
6	RJO Enterprises (10)	51.9
7	Modern Technologies (8)	47.5
8	Information Technology Solutions	47.4
9	Digital Systems Research	42.1
10	Pulsar Data Systems (13)	40.5
11	Manufacturing Technology	40.3
12	TRI-COR Industries	36.8
13	International Data Products	36.5
14	Nation (15)	32.5
15	CEXEC	32.1
16	General Analytics (12)	30.1
17	Advanced Sciences	29.0
18	SYSOREX Information Systems	28.2
19	Computer Systems Development	26.2
20	DIGICON	26.2

Source: FPDC, \$ Million

Exhibit 2

**Top Agency 8(a) Expenditures**

Rank	Agency	1995
1	Navy (1)	754.0
2	Army (2)	643.6
3	Air Force (3)	619.2
4	NASA (7)	246.7
5	Energy (6)	242.2
6	Transportation (5)	128.4
7	Defense (8)	126.1
8	Treasury (4)	124.4
9	Justice (9)	107.2
10	HHS (15)	104.5
11	Commerce (14)	79.5
12	Agriculture (10)	54.2
13	State (11)	51.9
14	Interior (12)	48.8
15	Agency for Intn'l Dev (17)	42.5
16	Labor (18)	34.7
17	GSA (16)	27.8
18	Education (20)	22.1
19	VA	15.4
20	EPA	12.4

Source: FPDC, \$ Million

Exhibit 3

**Top 8(a) Work Categories**

Rank	Product Service Code	1995
1	Other ADP/Telecom Services	455.3
2	Engineering Technical Services	385.7
3	Program Mgmt/Support Services	224.8
4	ADP Configuration	206.6
5	Other Mgmt Support Services	159.0
6	Systems Engineering Services	152.6
7	ADP Input/Output Storage Equip	122.5
8	Logistics Support Services	112.6
9	ADP Facility Management	109.2
10	Technical Assistance Services	107.7
11	ADP Systems Dev/Prog Services	105.6
12	Maint/Repair of ADP Equip/Sft	88.5
13	ADP Components	78.3
14	ADP Accessorial Equipment	78.0
15	Other Professional Services	77.4
16	Auto Info Sys Design/Integration	67.8
17	Maint/Repair of Misc Equip	63.7
18	ADP Optical Scanning Services	63.7
19	ADP System Analysis	55.8
20	Misc Communications Equipment	53.2

Source: FPDC, \$ Million

Exhibit 4

**8(a) Place of Performance**

Rank	State	1995
1	Virginia	882.6
2	Maryland	668.3
3	District of Columbia	326.4
4	California	224.9
5	Florida	168.0
6	Massachusetts	155.9
7	Ohio	138.3
8	New Mexico	125.5
9	Texas	107.9
10	New Jersey	104.3
11	Colorado	83.8
12	Alabama	72.8
13	Pennsylvania	58.6
14	Oklahoma	43.7
15	Illinois	34.5
16	Tennessee	33.3
17	Indiana	28.1
18	Arizona	25.9
19	New York	23.6
20	Louisiana	23.5

Source: FPDC, \$ Million

Exhibit 5

**Air Force**

Rank	Prime Contractor	1995
1	Infotec Development (1)	84.6
2	Kestrel Associates	60.4
3	I-Net (4)	26.2
4	Modern Technologies (5)	22.4
5	MEI Technology	19.3
6	Manufacturing Technology	16.7
7	Source Diversified	16.6
8	Analytical Systems Engineering	16.2
9	Abacus Technology	13.4
10	RJO Enterprises (7)	12.2

Source: FPDC, \$ Million

Exhibit 6

**Agriculture**

Rank	Prime Contractor	1995
1	NYMA (2)	7.7
2	Computer Consulting Operations	6.8
3	Research Mgmt Consulting	4.9
4	DIGICON	3.5
5	Micro Star	3.4
6	TRI-COR Industries (8)	2.8
7	ALTA Systems	2.5
8	TASQUE	2.1
9	SETA	2.0
10	Advanced Management	1.5

Source: FPDC, \$ Million

Exhibit 7

**AID**

Rank	Prime Contractor	1995
1	Software Control International	5.9
2	AERO Systems Engineering	4.0
3	Aguirre International	4.0
4	Center for Financial Engineering	3.0
5	Automation Image	2.8
6	SETA	2.0
7	Harvey and Company (5)	1.9
8	Information Mgmt Consulting	1.8
9	Aurora Associates	1.8
10	Development Technologies (2)	1.5

Source: FPDC, \$ Million

Exhibit 8

**Army**

Rank	Prime Contractor	1995
1	Nation (1)	31.2
2	Information Technology Solutions	27.4
3	Pulsar Data Systems	21.8
4	International Data Products	20.9
5	Modern Technologies (2)	20.6
6	Force 3	19.9
7	SYSOREX Information Systems	19.7
8	Computer Systems Development	15.9
9	Science and Technology	14.7
10	Technical & Mgmt Services (6)	13.7

Source: FPDC, \$ Million



Exhibit 9

**Commerce**

Rank	Prime Contractor	1995
1	Research & Data Systems (2)	12.0
2	MTA	10.0
3	Sylvest Management Systems (1)	8.9
4	Signal	5.0
5	DIGICON (3)	4.3
6	STN International	3.4
7	Global Management Systems (6)	2.8
8	Systems Technology Associates	2.4
9	Anstec	2.1
10	Management Technology (8)	2.1

Source: FPDC, \$ Million

Exhibit 10

**Education**

Rank	Prime Contractor	1995
1	Government Micro Resources	9.8
2	Pulsar Data Systems (1)	3.0
3	Research & Training Associates	1.9
4	Dynamic Concepts (4)	1.3
5	KRA	1.1
6	SYS	1.0
7	Universal Automation Laboratory	0.9
8	Conwal	0.5
9	Madentech Consulting	0.5
10	Comsis	0.5

Source: FPDC, \$ Million

Exhibit 11

**Energy**

Rank	Prime Contractor	1995
1	Advanced Sciences (1)	29.0
2	Sciencetech (4)	18.1
3	PAI (2)	16.9
4	Princeton Economic Research	14.0
5	CEXEC	13.0
6	Tresp Associates	11.2
7	Kenrob and Associates	9.6
8	Columbia Services Group	7.6
9	Aguirre Engineers	7.0
10	Systematic Management (3)	6.2

Source: FPDC, \$ Million

Exhibit 12

**EPA**

Rank	Prime Contractor	1995
1	Labat-Anderson	8.5
2	NCI Information Systems	1.2
3	Technology Plan & Mgmt	0.9
4	Hydrogeologic	0.5
5	Radix II	0.4
6	Information Systems & Services	0.2
7	Ellsworth Associates	0.2
8	Universal Systems & Technology	0.1
9	Vigyan Research Associates	0.1
10	Research & Evaluation Associate	0.1

Source: FPDC, \$ Million

Exhibit 13

**FEMA**

Rank	Prime Contractor	1995
1	Government Micro Resources	2.5
2	UCS (1)	1.2
3	Kathpal Technologies	0.9
4	DNE Technologies	0.5
5	Research Planning (6)	0.5
6	MCA Research	0.3
7	SETA	0.2
8	CTA (3)	0.2
9	SYSOREX Information Systems	0.2
10	Kevric	0.1

Source: FPDC, \$ Million

Exhibit 14

**GSA**

Rank	Prime Contractor	1995
1	Management Technology (2)	10.9
2	FC Business Systems (4)	2.8
3	Information Technology Solutions	2.8
4	Kajax Engineering	2.3
5	Information Systems & Services	1.7
6	Decision Systems Tech (7)	1.4
7	SETA	1.4
8	HJ Ford Associates	1.0
9	The Temple Group	0.8
10	Digital Support	0.6

Source: FPDC, \$ Million

Exhibit 15

**HHS**

Rank	Prime Contractor	1995
1	ROW Sciences	14.1
2	Data Computer Corp (2)	13.4
3	Universal Hi-Tech Dev (9)	4.1
4	KRA	3.4
5	Sytel	3.4
6	DIGICON	2.7
7	Computer Management Services	2.7
8	Capital Consulting	2.6
9	Cosmos	2.4
10	Information Mgmt Consulting	2.4

Source: FPDC, \$ Million

Exhibit 16

**HUD**

Rank	Prime Contractor	1995
1	KCM Computer Consulting	3.2
2	Management Technology (4)	1.8
3	NYMA (2)	1.8
4	Education Training & Enterprise	1.4
5	Soza & Company	1.1
6	Applied Real Estate Analysis	0.3
7	Computer Based Systems (5)	0.3
8	Alexander Consulting & Training	0.3
9	Qsoft	0.2
10	KRA	0.2

Source: FPDC, \$ Million

Exhibit 17

**Interior**

Rank	Prime Contractor	1995
1	Source One Management (1)	12.9
2	DP Associates	10.8
3	Greenbar	2.6
4	Recom Technologies (10)	1.9
5	Pulsar Data Systems	1.8
6	Management Technology	1.8
7	Vantage Personnel	1.6
8	Northern NEF	1.5
9	SETA	1.3
10	McBride & Associates	1.2

Source: FPDC, \$ Million

Exhibit 18

**Justice**

Rank	Prime Contractor	1995
1	Government Micro Resources	13.9
2	Mnemonic Systems (4)	12.3
3	Dynamic Decisions (2)	11.8
4	International Data Products	11.2
5	Comprehensive Technologies (8)	10.4
6	Ebon Research Systems	8.7
7	Data Transformation	7.3
8	General Analytics (9)	5.8
9	NYMA	5.0
10	System Resources (6)	3.0

Source: FPDC, \$ Million

Exhibit 19

**Labor**

Rank	Prime Contractor	1995
1	Valley Electric Associates	5.6
2	Greenbar	4.8
3	Ellsworth Associates	4.2
4	User Technology Associates (1)	3.4
5	Government Micro Resources	1.9
6	Edge Systems (7)	1.8
7	Calvillo and Associates	1.5
8	Automated Information Mgmt (10)	1.3
9	General Analytic (3)	1.3
10	Jorge Scientific	1.2

Source: FPDC, \$ Million

Exhibit 20

**NASA**

Rank	Prime Contractor	1995
1	NYMA (7)	72.7
2	I-Net (2)	37.7
3	Government Micro Resources	17.9
4	Recom Technologies (4)	16.3
5	EER Systems	14.0
6	TRI-COR Industries (5)	11.4
7	Caelum Research	5.3
8	Futron	4.5
9	Automation Research Systems	2.8
10	Computer Technology Associates	1.4

Source: FPDC, \$ Million



Exhibit 21

**Navy**

Rank	Prime Contractor	1995
1	Digital Systems Research (2)	39.5
2	RJO Enterprises	38.8
3	Trandes	24.6
4	Fuentez Systems Concepts	23.3
5	General Scientific Corporation	19.7
6	Sherikon	18.2
7	Systems Integration & Research	13.9
8	Pulau Electronics	13.3
9	Manufacturing Technology	12.7
10	Enzian Technology	12.6

Source: FPDC, \$ Million

Exhibit 22

**NRC**

Rank	Prime Contractor	1995
1	TRI-COR Industries	5.1
2	CEXEC (1)	2.1
3	Global Management Systems	1.5
4	Pulsar Data Systems (7)	1.0
5	Adsystem (2)	0.3
6	Business Promotion Consultants	0.2
7	The Centech Group	0.2
8	Kathpal Technologies (5)	0.2
9	Systems Integration Group	0.1
10	Data Computer	0.1

Source: FPDC, \$ Million

Exhibit 23

**Defense**

Rank	Prime Contractor	1995
1	I-Net (2)	10.1
2	Manufacturing Technology	10.0
3	Lightcom International	8.1
4	Navcom Systems	7.4
5	Communication Network Systems	7.4
6	GLS Associates	7.1
7	Compex	7.0
8	Sigcom	5.0
9	NCI Information Systems	4.7
10	SETA	4.4

Source: FPDC, \$ Million

Exhibit 24

**State**

Rank	Prime Contractor	1995
1	Interlog (6)	11.2
2	CEXEC	6.6
3	AMR Tech Mgmt Services (1)	6.5
4	Information Mgmt Consulting (3)	5.5
5	USATREX International (4)	4.7
6	Two Associates	4.0
7	Statistica (2)	3.8
8	RDR (9)	3.1
9	Automated Information Mgmt	1.7
10	I-Net (7)	1.3

Source: FPDC, \$ Million

Exhibit 25

**Transportation**

Rank	Prime Contractor	1995
1	Modern Technology Systems	23.4
2	Information Network Systems (6)	9.0
3	Research Mgmt Consultants	7.3
4	Camber	7.0
5	Aviation Technology	6.7
6	CEEXEC (7)	4.5
7	DIGICON	4.5
8	JIL Systems	4.2
9	ISSI	3.8
10	CSSI	2.7

Source: FPDC, \$ Million

Exhibit 26

**Treasury**

Rank	Prime Contractor	1995
1	Eastern Computers (2)	17.7
2	Viatech Systems (1)	10.8
3	General Analytics (4)	10.3
4	Ellsworth Associates (9)	7.2
5	Software Control International	6.7
6	Metrica (8)	4.6
7	Keydata Systems (5)	4.3
8	PSI International (3)	4.3
9	Uniband	4.2
10	KCM Computer Consulting	4.2

Source: FPDC, \$ Million

Exhibit 27

**VA**

Rank	Prime Contractor	1995
1	General Analytics	8.4
2	SYSOREX Information Systems	1.8
3	Professional Software Engrs (4)	1.3
4	Contract Services Company	0.6
5	Signal Communications Systems	0.6
6	Dynamic Analysis & Test Assoc	0.4
7	Presidio	0.4
8	Equus Computer Systems	0.2
9	United Communications Group	0.2
10	Computer Management Corp	0.2

Source: FPDC, \$ Million

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# Research Bulletin

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## Geographical Distribution of Federal IT Spending

### Federal Procurement Data System (FPDS) Reporting

The FPDS is the responsibility of the Office of Procurement Policy (OFPP). The Federal Acquisition Regulation (FAR) requires procurements exceeding \$25,000 be reported to the Federal Procurement Data Center (FPDC) — which is maintained by GSA. The agencies report procurement data, including the contract obligation amount — the amount the federal government has agreed to pay for a specified product or service. This does not necessarily indicate the amount of money spent, or the potential value of a contract.

INPUT recognizes, as the GAO has pointed out, the inadequacies of the FPDC data, but believes the data can serve as a useful gauge of federal government IT spending patterns.

### Methodology

INPUT analyzed the place of performance for federal spending during fiscal year 1995. Exhibit 1 shows where agencies spent the most. Exhibit 2 shows which agencies spent the most on IT. Exhibit 3 examines the lead states where federal IT dollars are spent.

Analysis of expenditures by type of company is shown in Exhibit 4. We identify the lead spender per state in Exhibit 5. All dollar values are in millions. The color inserts show four maps reflecting the federal IT spending level in all 50 states by business types.

Exhibit 1

#### Agency Place of Performance

Agency	State
Agriculture	Washington DC
Air Force	California
Army	Virginia
Commerce	Virginia
Education	Maryland
Energy	Louisiana
GSA	Maryland
HUD	Maryland
Interior	Colorado
NASA	Texas
Navy	Virginia
State	Virginia
Transportation	Maryland
Treasury	Washington DC
TVA	Pennsylvania
VA	Wisconsin

Source: FPDC

Exhibit 2

## Top Agency Spenders

Rank	Agency	1995
1	Air Force	8,679.2
2	Navy	7,180.2
3	Army	6,901.1
4	Defense	1,984.5
5	NASA	1,910.6
6	TVA	1,128.3
7	Energy	1,076.5
8	Transportation	1,009.3
9	Treasury	936.5
10	AID	858.6
11	Justice	406.0
12	GSA	335.9
13	Commerce	298.2
14	HHS	287.6
15	State	274.7
16	Education	249.8
17	Agriculture	237.3
18	VA	235.6
19	EPA	200.6
20	Interior	188.8

Source: FPDC, \$ Million

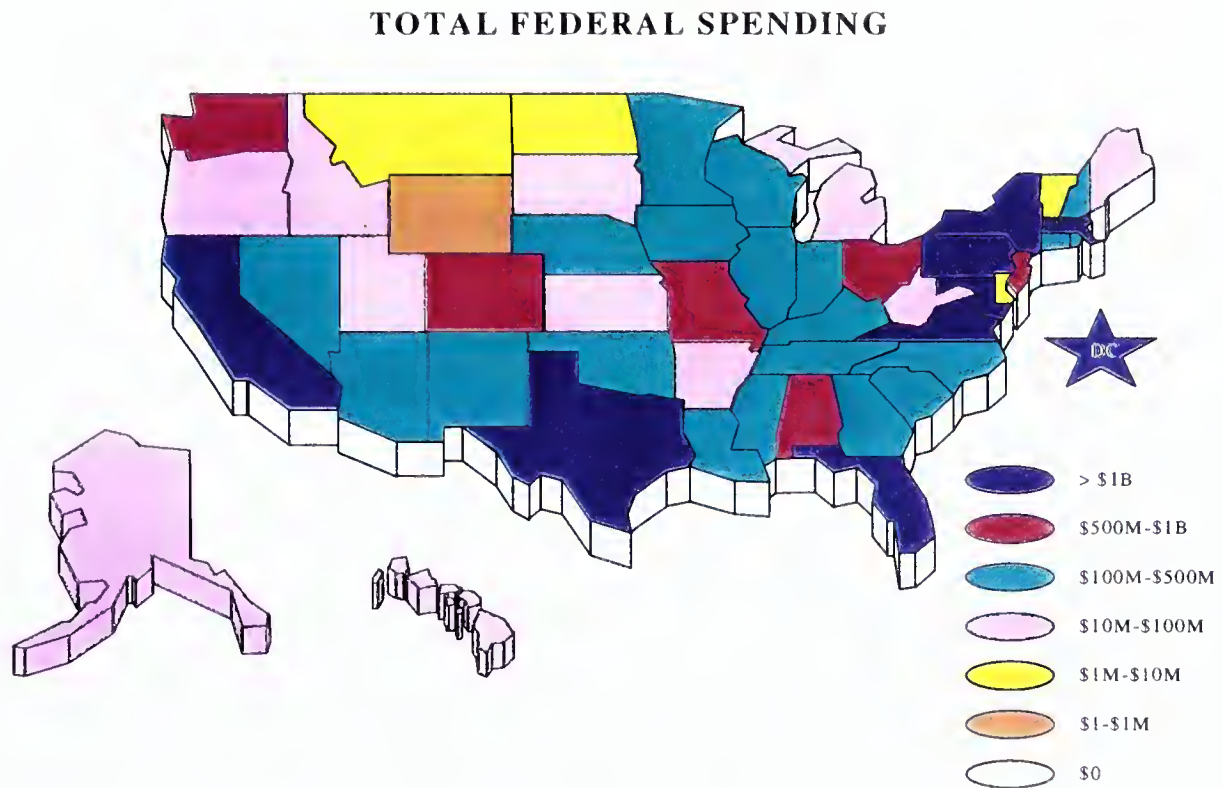
Exhibit 3

## Top State Work Locations

Rank	Agency	1995
1	Virginia	5,770.0
2	California	4,006.5
3	Maryland	3,384.2
4	Texas	1,903.4
5	Washington, DC	1,679.0
6	Florida	1,665.4
7	Pennsylvania	1,551.0
8	Massachusetts	1,145.7
9	New York	1,114.9
10	Colorado	852.7
11	New Jersey	707.7
12	Ohio	625.4
13	Missouri	591.7
14	Washington	522.1
15	Alabama	516.1
16	Indiana	388.0
17	New Hampshire	369.3
18	Arizona	360.8
19	South Carolina	354.1
20	North Carolina	352.8

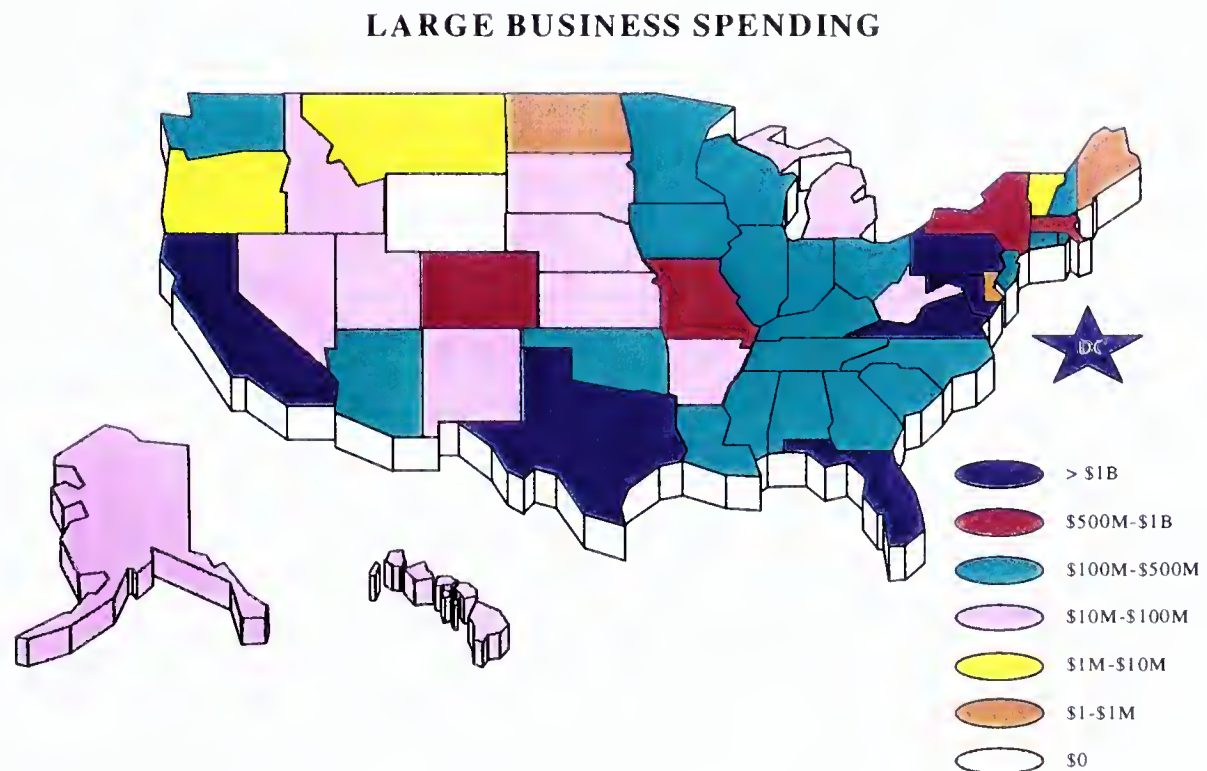
Source: FPDC, \$ Million

**Map 1**



Source: FPDC, INPUT

**Map 2**

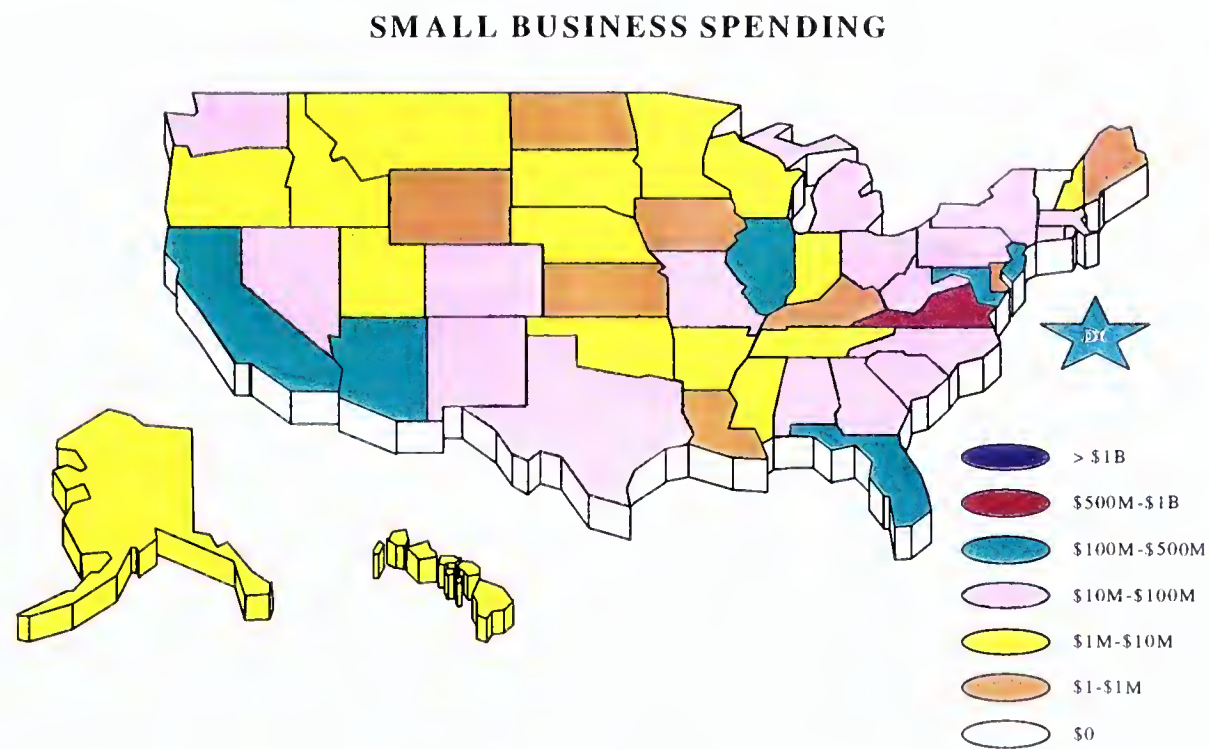


Source: FPDC, INPUT



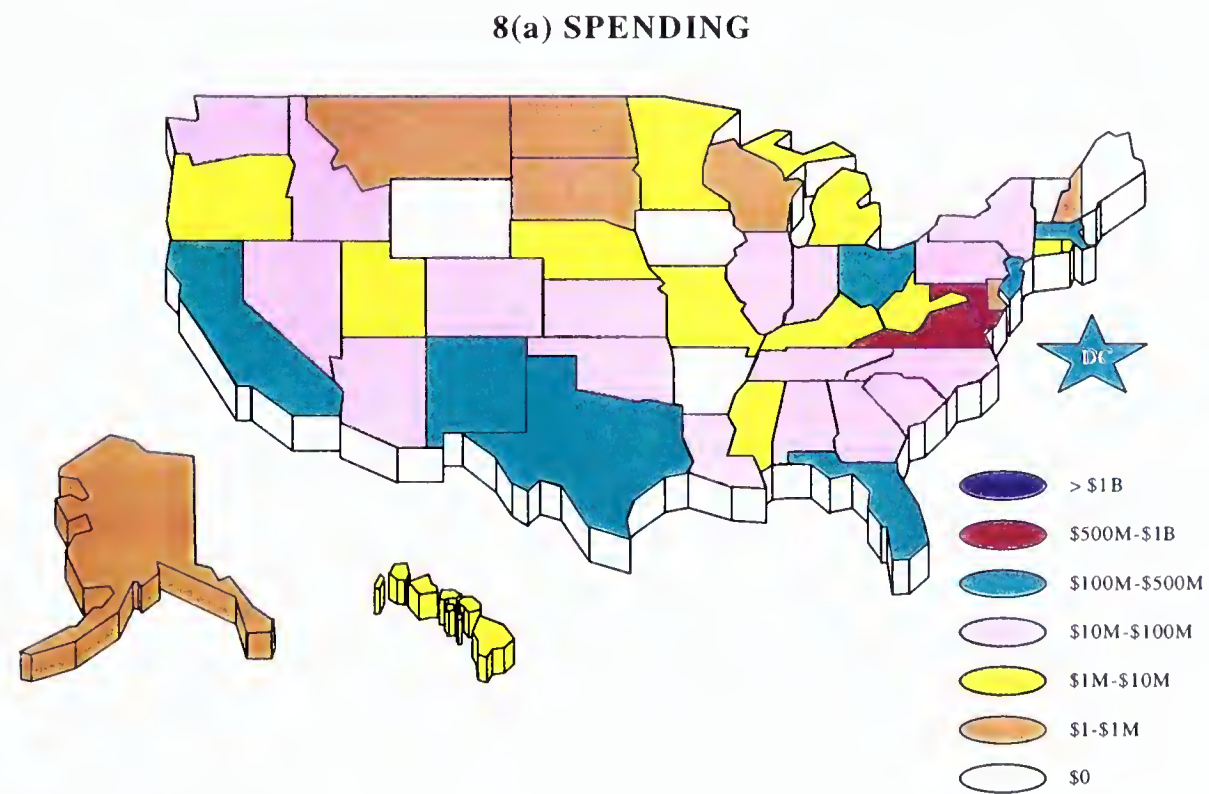


Map 3



Source: FPDC, INPUT

Map 4



Source: FPDC, INPUT





Exhibit 4

## Geographic Distribution of Companies

Rank	Large Business	Small Business	8(a)	Non-Profit	All Types
1	Virginia	Virginia	Virginia	Virginia	Virginia
2	California	Maryland	Maryland	Washington DC	California
3	Maryland	California	Washington DC	Pennsylvania	Maryland
4	Texas	Washington DC	California	California	Texas
5	Florida	Florida	Florida	Maryland	Washington DC
6	Pennsylvania	New Jersey	Massachusetts	Georgia	Florida
7	Washington DC	Alabama	Ohio	Texas	Pennsylvania
8	New York	Massachusetts	New Mexico	Ohio	Massachusetts
9	Massachusetts	Pennsylvania	Texas	Massachusetts	New York
10	Colorado	Texas	New Jersey	New York	Colorado

Source: FPDC

Exhibit 5

## Lead Spender per State

State	Agency	State	Agency	State	Agency
Alabama	NASA	Kentucky	Air Force	North Dakota	Labor
Alaska	Army	Louisiana	Energy	Ohio	Air Force
Arkansas	OSD	Maine	Navy	Oklahoma	Air Force
Arizona	Commerce	Maryland	Navy	Oregon	Interior
California	Air Force	Massachusetts	Air Force	Pennsylvania	TVA
Colorado	Air Force	Michigan	Army	Rhode Island	Navy
Connecticut	Navy	Minnesota	Army	South Carolina	Navy
Delaware	Agriculture	Mississippi	Navy	South Dakota	Energy
DC	Treasury	Missouri	Navy	Tennessee	Energy
Florida	Air Force	Montana	Air Force	Texas	Air Force
Georgia	Navy	Nebraska	Air Force	Utah	Air Force
Hawaii	Air Force	Nevada	Energy	Vermont	Navy
Iowa	Air Force	New Hampshire	Army	Virginia	Army
Idaho	Energy	New Jersey	Army	Washington	Air Force
Illinois	Air Force	New Mexico	Energy	West Virginia	Treasury
Indiana	Army	New York	Air Force	Wisconsin	VA
Kansas	Army	North Carolina	Navy	Wyoming	Air Force

Source: FPDC

## Observations

We observe the following:

- ❑ Even though Virginia, Maryland and Washington DC have the most work performed on a state basis, the trend is for more work performance outside the DC area — spending inside DC area has gone down from FY93's 42.5% to FY95's 31.5%,
- ❑ 65% of spending went to large businesses, 10% to 8(a)s and 9% to small businesses,
- ❑ The top 10 agencies did 92% of the spending,
- ❑ The top 10 states had 67% of the spending performed among them,
- ❑ Only DC and a dozen states (AR, DE, ID, LA, MD, NV, ND, OR, PA, TN, WV, WI) had more civilian IT spending than defense IT spending,
- ❑ 70% of spending done by defense because of foreign operations (i.e. Bosnia, etc.) and electronic warfighter strategy,
- ❑ Alabama and New Jersey show surprisingly strong spending on small businesses,
- ❑ Ohio, New Jersey and New Mexico show surprisingly strong spending on 8(a)s,
- ❑ Georgia and Ohio show surprisingly strong spending on non-profits,
- ❑ Air Force is the big spender in 17 states, Navy 10 states, Army eight states and Energy six states.

## Analysis

INPUT recommends:

- ❑ As more work performance flees to outside the Washington DC area, a vendor's sales focus should not be limited to agency headquarters offices.
- ❑ Besides the Washington DC area, vendor sales programs should cover California, Texas, Florida and the Northeast/Mid-Atlantic regions for maximum exposure.
- ❑ Even though Defense did all the spending in FY95, expect the civilian agencies to start spending on par with Defense.
- ❑ Be where Defense spends the most and you will be in 35 states. Energy spends the most in another six states.

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# Research Bulletin

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## The New Procurement Path

### Agency Options

With the recent acquisition reforms, agencies are evaluating their procurement options. Program office and information resource management (IRM) officials seek the path of least resistance to acquiring information technology (IT) goods and services. The reform has shifted the most desirable procurement vehicle from indefinite delivery, indefinite quantity (IDIQ) contracts to GSA Multiple Award Schedules (MAS). One can see why by examining the degrees of resistance associated with the following agency procurement vehicles:

- ☐ 8(a) Set-Aside
- ☐ Credit Cards
- ☐ Full and Open
- ☐ GSA MAS
- ☐ IDIQ
- ☐ Sole Source

### Degrees of Resistance

Agencies judge the usefulness of a procurement vehicle by these five criteria (in order of importance):

- ☐ **Limited procurement process** — obtain goods or services in a timely manner with minimal use of procurement resources

- ☐ **Reduced exposure to risk** — minimize protests and commitment to buy while maintaining control and discretion in the procurement process
- ☐ **Best solution obtained** — achieve mission objectives efficiently and effectively (includes cost effectiveness)
- ☐ **Able to purchase enough** — acquire necessary quantities when needed
- ☐ **Satisfies unique needs** — acquire goods and services to special agency specifications

Agencies are finding that using GSA MAS and other agency IDIQ contracts gets them to their acquisition goals more quickly and effectively. Exhibit I ranks the most common procurement vehicles by the above criteria.

### Path of Least Resistance

Doing business with 8(a)s gives agencies the ability to seek the best solution in the quantity and/or uniqueness required. The real down side is that agencies must go through a procurement process which has its risks — particularly on selecting a quality company and the chance of protest. When agencies use 8(a)s to get at a desired contractor(s), the risk becomes acceptable.

Credit cards offer agencies a minimal procurement process with little paperwork;



total control of the procurement; and good economy due to the commodity nature of credit card buying. Unfortunately, only small (and typically non-unique) ticket items can be purchased this way — some agencies now allow single purchases up to \$25,000. Raising the limit to \$100,000 would help, but the monthly/yearly maximums need upward revision as well.

Full and open competition is viewed as a difficult procurement process, fraught with risk, which may not deliver the best solution. The up side is the ability to obtain sufficient quantities of products and services — even when unique requirements exist. Agencies will continue to avoid this procurement option like the plague.

GSA schedules offer the same advantages of credit cards but with the ability to buy in quantity. The agency must rely on GSA's ability to get the best price and follow a modest procurement process. The only real down side is that unique needs may not be met by the products (and now services) on the schedules.

IDIQ contracts let by an agency gives hopefully the best solution, with sufficient quantities and unique needs satisfied. This comes at a cost of the agency procurement process to set up and maintain the contract. The typical exposure to risks of protest, etc. continue to exist.

When agencies use another agency's IDIQ contract, they minimize their risk and get a good solution. This comes at a cost of limited quantities, a lesser procurement process, and not being able to support any unique needs. Agencies seem more willing to trust another agency's procurement solution.

When sole source contracts are warranted, agencies trade off a tiresome procurement process with many of the usual risks for being able to acquire a good solution in the right

quantities while addressing their unique needs. If agencies interpret the recent acquisition reforms to mean more discretion on "calling all the shots" then use of this procurement option will increase.

## Electronic Commerce Wildcard

GSA Advantage! further strengthens the schedule buys approach by providing a faster, less paper-intensive process. FACNET on the other hand strengthens full and open competition, but presents the agencies with problems of implementation and what to do with potentially large numbers of respondents. With the acquisition reform giving agencies more time to implement FACNET, INPUT sees little impact over the next few years.

## Vendor Survival Tactics

Agencies have been placed in a position where the GSA schedules will more often than not be the procurement vehicle of choice. Credit cards would be great if one could order in much greater dollar volumes. If the GSA schedules do not fit the bill, agencies will look to using IDIQs from other agencies or use 8(a)s. In-house IDIQs are being viewed as cumbersome to use as sole source procurements.

Vendors should heed the following:

- ☐ **You had better be on a schedule** — or be on someone else's schedule
- ☐ **Pick your IDIQs wisely** — look for agency's who are catering to other agencies use of their IDIQ contracts
- ☐ **8(a) relationships are still valuable** — agencies will continue to use 8(a)s
- ☐ **Path of least resistance** — ensure your products and/or services are obtainable in the least painful manner by agencies.

Exhibit I

## Federal Procurement Vehicle Assessment

Procurement Vehicle	Limit Procurement Process	Reduce Expose to Risk	Obtain Best Solution	Obtain Sufficient Quantities	Satisfy Unique Needs	Overall Rating
8(a) Set-Aside	-	+-	+++	+++	+++	+
Credit Cards	+++	+++	++++	----	--	++
Full and Open	----	---	+-	++++	++++	-
GSA MAS	++	++++	++	++++	--	+++
IDIQ - In-House	---	+-	+++	++++	+++	+-
IDIQ - Another Agency	+-	+++	++	--	--	+
Sole Source	----	++	+++	+++	+++	+-

Source: INPUT

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# Research Bulletin

A Publication from INPUT's Federal IT Market Analysis Program

Vol. V, No. 8

August 1996

## Procurement Oversight After GSBCA

At precisely 4:30 pm on August 7, 1996, the General Services Administration Board of Contract Appeals (GSBCA) stopped receiving new ADP bid protests. GSBCA acted in accordance with the Information Technology Management Reform Act (ITMRA), which took effect on August 8, 1996.

ITMRA, passed as a part of the FY 1996 Defense Authorization Act, repealed the 1965 Brooks Act and with it GSBCA's authority over ADP bid protests. The last bid protest GSBCA decides will mark the passing of one of the most effective procurement oversight bodies in the federal government.

The General Accounting Office (GAO) is the organization expected to pick up where GSBCA has left off. This shift in the authority for resolving ADP bid protests will have a significant impact on vendors in their decisions whether or not to pursue an ADP bid protest.

### A Brief History of Procurement Oversight

**The General Accounting Office** was the original forum for contract bid protests. GAO's authority for bid protests was derived from the settlement powers it inherited from the Comptroller of the Treasury at its creation in 1921. The Comptroller of the Treasury was

responsible for the supervision of the expenditure of public funds. That authority was transferred to the GAO at its creation in 1921 and with it the power to settle and adjust any claims or accounts concerning the federal government. GAO's formal bid protest resolution authority comes from the Competition in Contracting Act of 1984 (CICA).

**The General Services Administration Board of Contract Appeals** was created under the Contract Disputes Act of 1978 as an independent tribunal to hear and decide contract disputes between contractors and GSA, the Department of the Treasury, the Department of Education, the Department of Commerce and other independent agencies. CICA gave GSBCA specific authority over procurements conducted under the provisions of the 1965 Brooks Act (ADP procurements).

The final word on procurement oversight occurs in the **U.S. District Court**. In the 1970 case of *Scanwell Laboratories, Inc. v. Federal Aviation Administration*, the U.S. Court of Appeals found that, according to the Administrative Procedure Act, the U.S. District Court has jurisdiction to hear a case involving a vendor's loss of a federal contract due to alleged illegal activity on the part of the contracting agency.

## The GSBCA Advantage

Before ITMRA repealed the Brooks Act, GSBCA was widely considered by vendors to be the preferred forum for a bid protest.

The primary reason for this preference was GSBCA's rules of discovery, or rather, the lack thereof. Discovery is the collection of information including documents, depositions and interrogatories in order to build the record of a case. GSBCA allowed for virtually unlimited discovery, and as a result, significantly improved a vendor's chance of success in a bid protest.

GSBCA's rules of discovery were tied to its *de novo* standard of review which directed a "fresh look" at the facts of a case. Conversely, GAO reviews cases from the standpoint that the government is right until proven wrong. GSBCA's unbiased position also improved a vendor's chances for a successful protest.

GSBCA's rules of discovery and *de novo* standard of review made it an extremely effective instrument of procurement oversight. The threat of a GSBCA protest was a potent incentive for federal contracting officials to carefully follow the regulations governing procurement. To do otherwise invited a bid protest that would increase both the time and cost of the procurement process.

## The GSBCA Disadvantage

Unfortunately, the very elements that made GSBCA an effective procurement oversight tool also contributed to the abuses which brought about the end of the board's protest authority.

GSBCA's rules of discovery and *de novo* standard of review encouraged the filing of bid protests without enforcing reasonable protest grounds. A vendor could file a bid protest on a relatively flimsy basis and then use GSBCA's

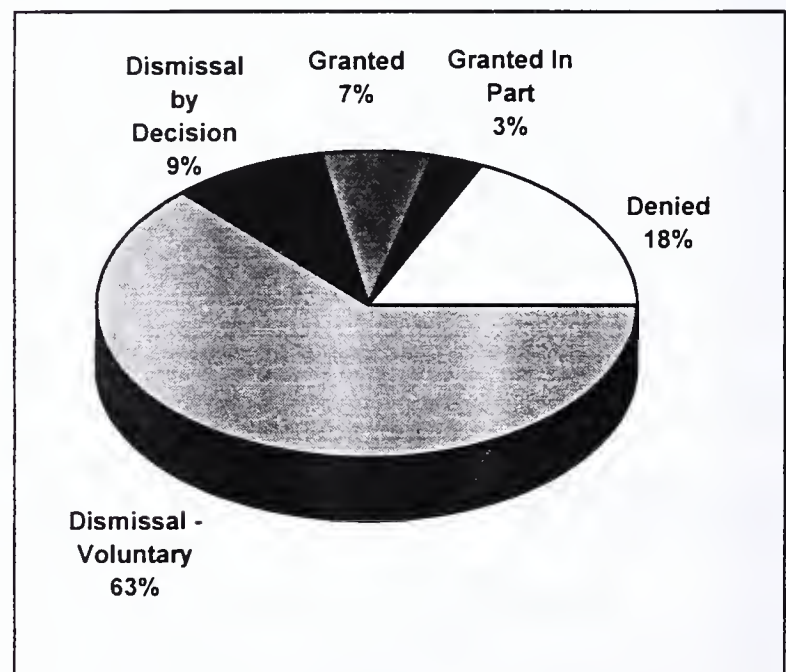
rules of discovery to comb the case record for flaws which would validate their protest.

Exhibit 1 shows that of 194 protests reviewed by GSBCA in FY 1995, 72% were dismissed either voluntarily or by decision. A further 18% of those protests were denied. Although there are many reasons for dismissing a protest, one of the more prevalent is undoubtedly lack of sufficient grounds. Insufficient merit is the basic reason for denying a protest. This is not to suggest that all or even most of the denied and dismissed protests were based on frivolous grounds. However, when 90% of 194 cases are either denied or dismissed, the validity of the process is justifiably called into question.

The volume of frivolous bid protests filed with GSBCA was influential in the government's decision to eliminate the board's protest authority, with the hope of streamlining the ADP procurement process both in terms of time and money.

Exhibit 1

### GSBCA Activity in FY 1995



Source: GSBCA



## The New Deal

In the wake of ITMRA, vendors are left with the following options for satisfying a bid dispute:

- File a bid protest with the General Accounting Office,
- Pursue alternative dispute resolution (ADR),
- File suit in U.S. District Court.

Alternative dispute resolution is a way for agencies and vendors to settle procurement disputes without the cost and time of a formal protest. GSBCA is hoping to offer its experience in a role as mediator for ADR proceedings. However, ADR will not provide the independent scrutiny of a case that may be necessary in many procurement disputes.

Filing a Scanwell Suit in U.S. District Court will achieve an independent review of the facts of a case. It will also result in a legally binding decision. However, a federal suit is costly and complicated. U.S. District Court also places a heavy burden of proof on the plaintiff. Furthermore, there is currently a bill (S. 1224) before Congress that would repeal the jurisdiction of U.S. District Court over Scanwell Suits.

As a result, vendors seeking an independent review of a procurement dispute without the cost and effort associated with a federal suit (which may not even be an option much longer) must file a protest with the General Accounting Office.

## The GAO Bid Protest

The General Accounting Office bid protest procedures have been criticized for strict deadlines, limited opportunity for discovery

and a predisposition in favor of federal agencies. All of these points are arguably valid and are the reasons most IT vendors preferred GSBCA as a bid protest forum.

However, in facing the fact that GSBCA no longer exists as an option, vendors must consider the procedural differences and their chances for success before proceeding with a bid protest at GAO. Exhibit 2 summarizes the procedural differences between GAO (post-ITMRA) and GSBCA. Of course, the most important procedural differences center around the rules of discovery. Nevertheless, the various GAO deadlines are also extremely important to be aware of. A missed deadline will almost always result in dismissal.

Vendors should also consider the fact that a GAO decision is not a legally binding or enforceable directive. It is merely a recommendation that federal agencies may accept or reject at their own discretion. Of course, both in the interest of public relations and because of the generally valuable nature of GAO decisions, agencies do ordinarily follow GAO's recommendations. In fact, out of 2,529 cases reviewed by GAO in FY 1995, there was not one instance of an agency not fully implementing a GAO decision. Still, the strength of GAO decisions warrant a vendor's consideration before pursuing a bid protest.

Unfortunately, a statistical analysis of GAO's rulings is difficult to make. GAO does not yet keep comprehensive statistics concerning its disposition of bid protests. GAO has stated that it granted or settled over 40% of its ADP bid protests in FY 1995. However, independent analyses of GAO's record have ranged from a 15% vendor success rate to as little as a 3% vendor success rate.



## Exhibit 2

**Bid Protest Procedural Comparison**

Action	GSBCA	GAO
<b>Filing</b>	<p>Pre-award - Before bid opening or proposal due date.</p> <p>Post Award - within 10 working days from the date the protested matter is, or should have been, known.</p>	Same.
<b>Notification</b>	Notify Contracting Officer on day of filing.	Notify agency within 1 working day of filing.
<b>Document Collection</b>	Documents requested during discovery conference held within 6 working days of filing.	Documents requested concurrent with filing. Additional documents may be requested within 2 working days of agency report.
<b>Contract Suspension</b>	Requested at filing, hearing within 10 working days of filing.	Automatic immediately after agency notification. Suspension may be waived if agency shows sufficient reason for continuation.
<b>Agency Report</b>	Within 10 working days of filing.	Within 30 calendar days of agency notification.
<b>Hearings</b>	Hearing on the Merits within 25 working days of filing.	Hearing held as soon as practicable after receipt of agency report.
<b>Decision</b>	Within 45 working days of filing.	Within 100 calendar days of filing. An express option is available which requires a decision within 65 calendar days.
<b>Reconsideration</b>	Within 7 calendar days of receipt of decision.	Within 10 days of basis for reconsideration is, or should have been, known.
<b>Award of Costs</b>	Interested party must file for costs within 30 calendar days of sustaining decision. Respondent has 20 calendar days to respond.	GAO may decide to recommend cost reimbursement concurrent with decision

## The Future of Procurement Oversight?

The future of procurement oversight is clearly in doubt. The elimination of GSBCA as a forum for ADP bid protests is a crushing blow to independent review of federal procurement practices. ITMRA may reduce the amount of time and money spent on bid protest resolution. Conversely, it very well may not. We can only be sure that ITMRA will inhibit procurement oversight.

As for the other tools of procurement oversight, not much more may be said. Alternative dispute resolution does not offer the independent review required for procurement oversight. GAO offers theoretically independent review; however, GAO's limited rules of discovery and lack of *de novo* standards place a distinct advantage with federal agencies.

The last stand for independent, unbiased procurement oversight lies with U.S. District Court. Even so, a Scanwell Suit is generally costly and involved. In addition it may damage agency-vendor relations irreparably. Furthermore, depending on the outcome of S. 1224, Scanwell Suits may go the way of GSBCA as a procurement oversight tool.

The efforts to streamline and commercialize federal ADP contracting will most likely benefit both vendors and the government through a reduction of both the money and time spent on the procurement process. However, in rushing to achieve those goals, we must not underestimate the need for an effective system of procurement oversight.

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# Research Bulletin

A Publication from INPUT's Federal IT Market Analysis Program

Vol. V, No. 9

September 1996

## Beyond the Millennium: The Federal Information Systems and Services Market Outlook 1996-2001

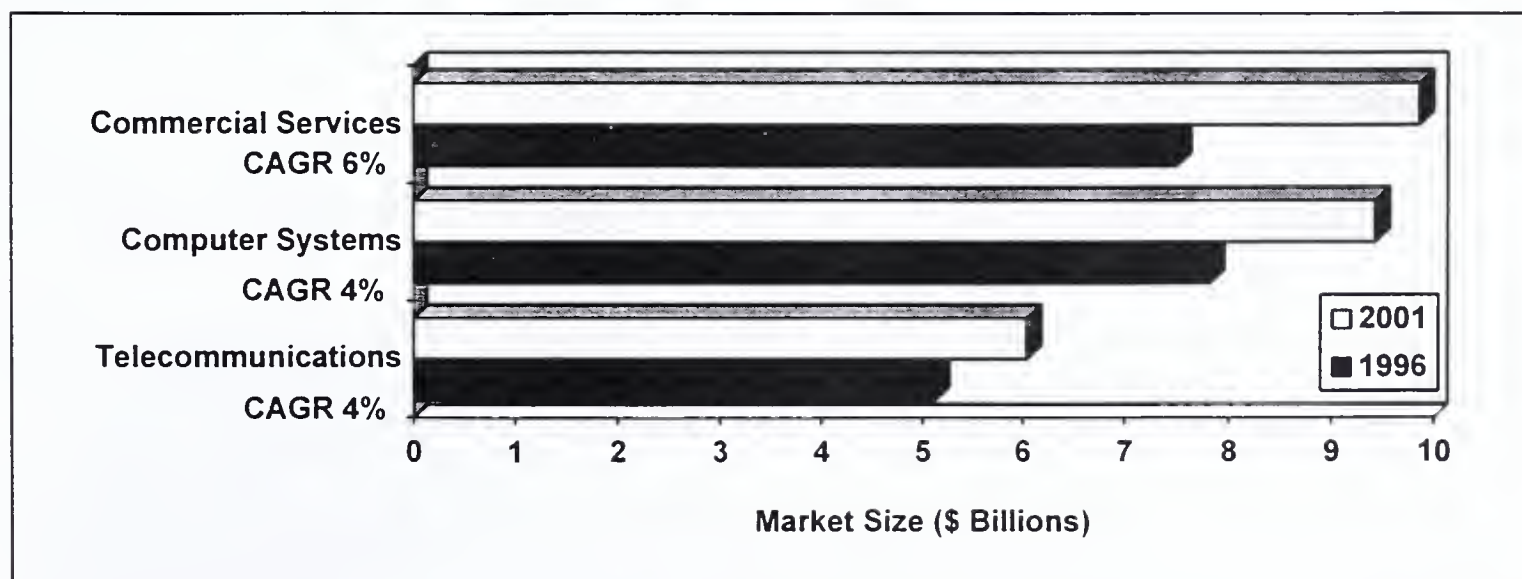
INPUT has just published its market forecast report *Federal Information Systems and Services Market FY 1996-FY 2001*. This report provides forecasts of information technology expenditures by the U.S. federal government for fiscal years 1996-2001 and includes analysis of the federal information technology budget submitted for fiscal year 1997.

### Overall Federal IT Market

The overall market planned for federal acquisition of information systems and

services in FY 1997 is \$20.9 billion, forecasted to reach \$26.0 billion in FY 2001, excluding classified systems and imbedded technologies. This represents a compound annual growth rate (CAGR) of 4.5%. The growth is higher than forecast last year because of delayed spending in FY 1995-2000. The overall IT market is expected to grow at 3% over the next five years. The three principal components of the contract portion of the agencies' proposed IT expenditures are shown in the following exhibit.

ISS Markets, FY 1996-2001



Source: INPUT

Some key observations follow:

- The **commercial services** market is experiencing the most growth. Outyear spending is forecast at 6% CAGR. Professional services is fueling this growth. Several factors are driving the demand for commercial services: loss of in-house capability due to pressure to reduce the size of the federal workforce, requirement to redesign business functions of the federal government and loss or lack of expertise needed to integrate legacy systems in emerging client-server environments.
- Expenditures for **computer systems**, including hardware and systems software, will increase by \$0.5 billion in FY 1997 from estimates for FY 1996. Future spending is expected to increase steadily, growing to \$9.4 billion in FY 2001 at a CAGR of 4%. This growth is significant because commercial hardware and software product costs continually decline. Agencies are putting increased emphasis on commercial product solutions (i.e. COTS - commercial-off-the-shelf solutions) rather than custom systems.
- **Communications and network services** expenditures are projected to increase from \$5.1 billion in FY 1996 to \$6.0 billion in FY 2001 at a CAGR of 4%. The rate of spending for voice and data circuits continues to grow. Difficulties in reporting telecommunications outlays continue. The lower rates due to price readjustments of the FTS2000 contract continue to reduce actual dollars spent. Recompetition of the FTS2000 and proposed integration of the Defense Information Systems Network (DISN) will drive prices and spending further downward, although demand for voice and data will increase.

The distribution of IT spending across agencies changed for FY 1997 from the distribution for FY 1996 spending. Half of the top ten agencies with the largest IT budgets showed increases; half showed declines. OSD and Transportation were significant losers. Treasury was a significant gainer. This change demonstrates the shifting of program priorities in the federal government to civilian agencies.

## Information Technology Markets

The federal government information services marketplace ranks third within the U.S. industry sector — behind discrete manufacturing and banking and finance. But due to the federal government market's slow growth, this sector will drop to fourth place in 1998 and fifth place by 2000. State government, with its 16% CAGR, will overtake the federal sector in 1999 — funds are shifting from the federal to the state level. Note that the combined federal and state government market would be the number one industry sector in 1996.

The percentage of federal budget obligations spent on IT has remained steady at around 1.7%. The percentage of defense budget obligations spent on IT has increased from 2.6% in FY 1986 to 3.7% in FY 1996. INPUT forecasts IT taking more of the defense budget, 3.8%, by FY 2001.

## Information Technology Budget, FY 1997

The proposed FY 1997 Federal Executive Branch Information Technology budget of \$27.8 billion is up slightly from \$26.7 billion in the proposed budget for FY 1996. The contract portion of the IT budget is estimated to increase from \$20.3 billion in FY 1996 to \$20.9 billion in FY 1997, excluding classified systems and imbedded technologies.



\$20.9 billion in FY 1997, excluding classified systems and imbedded technologies.

Equipment is down 3% from FY 1996, while services went up 3% from FY 1996. All other categories stayed the same. This represents a strong continuing signal that the federal government will be contracting out more and more of its IT systems and services responsibilities. The IT market available to vendors in FY 1997 is expected to increase slightly over FY 1996 at \$20.9 billion. Contracting continues to increase over the long term from 77% of the FY 1994 federal IT budget to 84% in FY 2001 — a 4.5% CAGR. Defense is around 70% contracting, while civilian government is around 80%.

Key observations between the new FY 1996 estimates and the forecasted FY 1997 budgets are:

- The **commercial services** segment will see increases in leased telecommunications data services and professional services.
- The **capital investment** segment has a 3% increase in hardware acquisitions at the expense of a 13% decrease in software acquisitions.
- **Operating costs** inched up 1% from FY 1996. This segment represents only 6% of the total IT budget.
- **Personnel costs** are projected to increase slightly to \$6.3 billion in FY 1996 — representing 23% of the overall IT budget.

INPUT reviewed the changes in budget documentation to identify the key areas affected. FY 1997 budget figures show virtually no growth reported from FY 1996. FY 1995 saw the largest differential in total federal IT expenditures, a \$1.9 billion increase (of which \$1.7 billion was in defense), between projected expenditures and actual outlays.

The previous record was \$1.0 billion. INPUT forecasts marginal growth to continue through the outyears, although vulnerabilities exist from added pressures to reduce the federal deficit and overall spending. The Administration and Congress both appear willing to continue the information technology investment to gain efficiencies and thus reduce government spending.

Current budget cuts by the Republican-controlled Congress have not been as severe as initially proposed, but they signal continued pressure to reduce overall government spending. IT was mostly a winner in the FY 1997 budget battle. Specific program winners were the Decennial Census, FBI Law Enforcement, High Performance Computing, IRS Tax System Modernization and the National Weather Service Modernization. Program losers were the FAA Air Traffic Modernization and the Patent and Trademark Office (PTO) Office Automation. Congress is seeking demonstration that operating improvements follow from increased IT budget authority.

## Federal Budget Issues

Although some improvements in the overall financial situation have been reported in various economic indexes, the economy cannot support constantly expanding government discretionary expenditures, in opposition to out-of-control entitlement spending. As a result, slower overall budget growth and the resultant reduction in outlays for goods and services can be expected throughout the remainder of the decade.

Several factors influence both the level of IT spending in FY 1996 and projected spending in the out-years, beginning with FY 1997:

**Cost containment** - Congress and the public want less government. Reduced government services will result in much lower overall growth of the IT budget unless Congress can



be convinced that increased IT spending will result in lower operating costs.

**Acquisition reforms** - as agencies determine the level of discretion the new reforms afford them, the agencies should be able to spend their budgets faster.

**Budget deficit-control measures** - OMB is trying to tie agency IRM plans to agency budgets. This is in advance of increased capital investment, due in part to the insistence on commercial products rather than custom systems (i.e., the COTS effect).

**Program downsizing** - government is following the private sector in trimming the workforce. Although there is a possible impact from federal union efforts to protect government staffing in the face of shrinking operations budgets, INPUT forecasts declining IT staffs.

**Outsourcing pressure** - in their capital planning, agency heads must determine whether to privatize, outsource or insource anything outside their core competencies.

**Agency restructurings** - as the politicians play the "shell game," consolidations and outright elimination of agencies will contract IT spending overall.

## Information Technology Market Factors

The principal market factors influencing how IT will be procured have some relationship to the budget deficit and to the Administration's focus on improving service and efficiency.

Federal spending slows with the following:

**Downsizing process** - as the federal workforce shrinks, less computing power is required to run government.

**Budget cuts** - some agencies will have to cut IT expenditures to meet their fiscal requirements. The budget knife is even starting to get to the IRM staff.

**Commodity pricing** - agencies are seeking to turn as many IT buys into commodity buys to leverage their buying power.

**BPR** - process reengineering requirements are increasing. If agencies reap the expected benefits, then new processes may require less IT to accomplish.

**IT productivity gains** - if the gains are realized through the use of IT, then we may see less need for IT as we reduce staffing through automation, etc.

**Federal programs to states** - through block grants and the like, funds are being directed away from the federal arena to the states.

Federal spending increases with the following:

**Staff reductions** - agencies seek to do more with less people through automating more of their processes.

**New initiatives** - agencies will always be legislated more functions to perform, requiring more automation.

**COTS initiatives** - the trend is away from home-grown systems to store-bought, but agencies are spending many times the purchase price to customize solutions to their *unique* needs.

**IT fever** - agencies feel IT offers the closest thing to the "silver bullet."

**NPR** - the current Administration is promoting the use of IT to fix the government's efficiency and effectiveness problems.

## Conclusions

Government-wide IT priorities continue to shift as agencies attempt to improve performance at lower costs, cross-agency programs are centralized, and agency reorganizations remove unneeded programs. Government has the IT fever, whether Defense's electronic warfighter or the civilian agency's electronic government

The beginning of the 1990s saw a gradual decline in the growth rate of IT acquisition. The growth rate held steady for the first four years. FY 1995 actuals show a sharp increase. The FY 1996 and FY 1997 budgets are aligned at this new plateau. The FY 1994 budget demonstrated increased interest in reducing capital expenses while seeking more commercial services contracts. The FY 1995 budget focused on increased use of commercial products. FY 1996 sees the agencies scrambling after the delayed budget process, the furloughs and the effects of an election year. Overall, IT spending will increase at a modest level until improved performance can be measured and demonstrated.

Watch for the following to unfold:

- **IT fever under attack** - under severe pressure to reduce the federal deficit, cost-reduction measures are being imposed on agency programs. IT Management Reform Act of 1996 focuses on mission, cost-effectiveness and performance of implemented IT. OMB is the new enforcer in town. Agencies are being judged on performance and results-based management techniques. Agency budgets are being linked to capital planning and investment control. Baseline measurements are being sought for IT. Efficiency and effectiveness comparisons to a relevant reference group (private industry, other federal agencies, state government, etc.) are necessary to justify future IT discretion.
- **Decision point** - existing programs are being examined for possible downsizing or termination. Failing that test, government programs are being scrutinized for privatization opportunities or, at a minimum, outsourcing of the function.
- **IT brain drain** - the buy outs of the last two years have depleted agencies of institutional knowledge and technical expertise. The new, younger workforce is far more transient creating difficulty in acquiring and retaining the necessary IT skills, particularly those of emerging technologies. As the government "hollows out," industry will be invited to fill in. Agencies will move toward commercial products with a vengeance.
- **Unpredictable procurement process** - procurements will become more of a relationship buy — favoring larger vendors. Vendor capture costs will increase as agencies let a series of smaller contracts versus the massive, multi-year systems of the past. As the FIRMR goes away and agencies decide their level of procurement discretion, a given agency procurement process is less predictable. Vendors will most certainly have to deal with a variety of processes in the future.
- **Year 2000** - federal agencies will spend only \$31.1 billion from FY 1996 through FY 1999 on total services contracted out. Of that, only \$7.7 billion are earmarked for software development. With estimates upward of \$30 billion to fix the Year 2000 problem in all of government, there is not enough money to address the problem. This issue may be the single greatest deterrent to IT growth within the federal government.



## More Information?

This bulletin presents a global view of the market for federal information systems and services, for the fiscal years 1996 through 2001. It also notes the five-year growth rates for those expenditure forecasts. Much greater detail is available in the INPUT publication, *Federal Information Systems and Services Market, FY 1996-2001*, to be issued in September.

INPUT segments the market, modeling the way federal users buy products and services, into eight categories with 27 subcategories:

**Systems Software Products** - mainframe, minicomputer, workstation/PC

**Applications Software Products** - mainframe, minicomputer, workstation/PC

**Turnkey Systems** - equipment, software products, professional services

**Professional Services** - consulting, BPR, education/training, software development maintenance

**Systems Integration** - equipment, software products, professional services, other

**Outsourcing** - platform operations, applications operations, desktop services,

network management, applications management

**Processing Services** - transaction, utility, other

**Network-Based Services** - electronic information services, network applications.

Both agency and industry perspectives are gathered to create a government user demand profile:

INPUT pulls federal budget information from federal agency submissions made to the Office of Management and Budget (OMB). In addition, agency strategic IT plans are collected and interviews are conducted with key agency information resource management (IRM) officers for their insights into future plans.

INPUT gathers procurement data on 208 IT product/service codes (PSC) from the General Services Administration (GSA) Federal Procurement Data Center (FPDC).

Readers who are interested in this market forecast report should contact Norm Berthaut or the INPUT office in Vienna, Va at 703-847-6870 for more information on content or ordering this document.

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This Research Bulletin is issued as part of INPUT's Federal Information Technology Market Analysis Program. If you have questions or comments on this bulletin, please call your local INPUT organization or Norm Berthaut at INPUT, 1921 Gallows Road, Suite 250, Vienna, VA 22182; Tel. (703) 847-6870.



# Research Bulletin

A Publication from INPUT's Federal IT Market Analysis Program

Vol. V, No. 10

October 1996

## Federal Supply Schedules: Blanket Purchase Agreements & Contractor Team Arrangements

### Multiple Award Schedules

GSA's Federal Supply schedule contracts are awarded and administered as a centralized program. The negotiation of prices, terms and conditions is accomplished on behalf of using federal agencies. The Federal Supply Schedule contracts, referred to as Multiple Award Schedule contracts, provide for uniform terms and conditions. Schedule contracts allow GSA to focus the federal government's large volume buying power to establish fair and reasonable contract prices.

A Multiple Award Schedule is an Indefinite Quantity, Indefinite Delivery (IDIQ) contract available to all federal agencies worldwide. Agencies place orders directly with the contractor. Interagency agreements are not required to use Multiple Award Schedules (MAS).

The MAS program provides federal agencies with over 4 million products from more than 6,000 vendors, without ordering restrictions, around the world, including ADP products and services.

GSA's stated goal is to be the best value supplier of choice to the federal agencies.

MAS contracts offer:

- ☐ Fair and reasonable prices
- ☐ Most favored customer discounts
- ☐ Possible additional quantity discounts
- ☐ Additional price reductions for individual agencies

Purchasing from the Multiple Awards Schedule insures that:

- ☐ GSA has already determined the price to be fair and reasonable.
- ☐ Synopsis in CBD is not required.
- ☐ MAS contracts have been awarded in compliance with all applicable laws and regulations.
- ☐ Administrative time is saved.
- ☐ A wide selection of commercial items are available.
- ☐ Basic ordering information is all that is required.

By October 1997 all MAS will be available electronically(GSA Advantage!).

In addition, Blanket Purchase Agreements can be set up with a Multiple Awards Schedule contractor to fulfill recurring needs with significant advantages. For large or complex requirements MAS contractors can now join with other schedule contract holders and submit a total solution to meet agencies' needs under a Team Arrangement. Teaming Arrangements may be incorporated into BPAs.

## Pre-, Post-Brooks Act Comparison

A comparison of the old acquisition way versus the new acquisition reforms shows a number of changes. Some of the more significant are as follows:

- ☐ Purchasing Information Technology (ADP) products is allowed and FAR 8.4 applies and replaced FIRMR 8/8/96.
- ☐ CBD notices were eliminated. The requirement for synopsis proposed orders over \$50,000 against ADP schedules was eliminated in March 1995.
- ☐ Use of the MAS program is a competitive procedure and meets CICA requirements (see FAR 6.102(d)(3)).
- ☐ Agencies are no longer restricted by any dollar amount limitations when placing orders under a Schedule BPA.
- ☐ BPAs are no longer bound by a Maximum Order Limitation(MOL). In accordance with FAR 8.4 the MOL has been replaced by a Maximum Order level in each schedule.
- ☐ Contractor Teaming Arrangements are permitted with MAS Contractors in accordance with FAR 9.6.

## Reform Details

Specifics on the reforms are outlined in INPUT's Research Bulletin *Acquisition Reform: Details and Impact* March 1996.

## Blanket Purchase Agreements

A Blanket Purchase Agreement is a cooperative agreement under a Multiple Award Schedule contract or contracts exclusively between a contractor and a specific agency to further reduce the administrative cost of acquiring commercial items from the General Services Administration (GSA) Federal Supply Schedule. It is a way to fulfill recurring needs while taking advantage of quantity discounts, saving administrative time and reducing paperwork. Exhibit I shows the current BPA form used by GSA.

Under the new acquisition rules BPAs are not restricted by maximum order limitations. With the removal of the MOL, agencies are no longer bound by any dollar limitations when placing orders under a BPA.

BPAs eliminate contracting and open market costs such as:

- ☐ Search for sources
- ☐ Development of technical documents
- ☐ Solicitations
- ☐ Evaluation of bids and offers

With a Multiple Award Schedule BPA agencies can order as much or as little as they want and as often as they want. Agencies can use a BPA as an ordering device in which their field offices across the nation can participate, allowing each office to place orders directly. In doing so the entire agency benefits from additional discounts negotiated into their own BPA.

## Contractor Team Arrangements

Within the spirit of the Federal Acquisition Streamlining Act, all federal agencies have

been encouraged to facilitate innovative contracting/acquisition approaches.

FAR Part 1.102 provides guiding principles on the Federal Acquisition system, outlining what the system will achieve:

- ☐ Satisfy the Customer (cost, quality, and timeliness of delivery)
- ☐ Maximize use of commercial products and services
- ☐ Consider contractor's past performance
- ☐ Promote competition
- ☐ Minimize administrative costs
- ☐ Conduct business with integrity, fairness, and openness
- ☐ Fulfill public policy objectives

The Federal Supply Schedule program is a source agencies may use to achieve what the system has outlined for acquisition teams to follow.

Each member of the agency "acquisition team" is to exercise personal initiative and sound business judgment and is responsible for making acquisition decisions that deliver the best value product or service to meet the agency's needs. FAR 1.102-4 further empowers government team members to make acquisition decisions within their areas of responsibility including selection, negotiation and administration.

In light of this, agencies may refer to FAR 9.6-Contractors Team Arrangements. The policy and procedures outlined in this section will provide more flexibility and allow innovative acquisition methods when using the Federal Supply Schedules.

Team Arrangements combined with the Multiple Award Schedules using a Blanket Purchase Agreement provide federal

agencies a powerful commercial acquisition strategy. Vendors should understand the spirit and intent, as well as the nuances, of BPAs and Contractor Team Arrangements.

Federal Supply Schedule contractors may use "Contractor Team Arrangements" (FAR 9.6) to provide solutions when responding to an agency requirement. These Team Arrangements can be included under a BPA. BPAs are permitted under all Federal Supply Schedule contracts.

Orders under a Team Arrangement are subject to terms and conditions of the FSS contract. Participation in a Team Arrangement is limited to FSS contractors.

The following is the general outline:

- ☐ The agency identified its requirements
- ☐ FSS contractors may individually meet the agency needs, or
- ☐ FSS contractors may submit a Schedules "Team Solution" to meet the agency's requirements
- ☐ Agencies make a best value selection

The Federal Supply Schedule program with these new features move the schedules program closer to providing a "total solution" for buying commercial products and services that meet agencies needs.

It is not inconceivable to anticipate an agency contracting for a large, complex solution under a BPA and a teaming arrangement including complementary contractors for hardware, software, services and systems integration.



## Exhibit I

BPA NUMBER \_\_\_\_\_

(CUSTOMER NAME)  
BLANKET PURCHASE AGREEMENT

Pursuant to GSA Federal Supply contract number(s) \_\_\_\_\_, Blanket Purchase Agreements, the Contractor agrees to the following terms of a Blanket Purchase Agreement (BPA) EXCLUSIVELY WITH (Ordering Agency):

- (1) The following contract items can be ordered under this BPA. All orders placed against this BPA are subject to the terms and conditions of the contract, except as noted below:

MODEL NUMBER/PART NUMBER

\*SPECIAL BPA  
DISCOUNT/PRICE\_\_\_\_\_  
\_\_\_\_\_\_\_\_\_\_  
\_\_\_\_\_

- (2) Delivery:

DESTINATIONDELIVERY SCHEDULE/DATES\_\_\_\_\_  
\_\_\_\_\_\_\_\_\_\_  
\_\_\_\_\_

- (3) The Government estimates, but does not guarantee, that the volume of purchases through this agreement will be \_\_\_\_\_.
- (4) This BPA does not obligate any funds.
- (5) This BPA expires on \_\_\_\_\_ or at the end of the contract period, whichever is earlier.
- (6) The following office(s) is hereby authorized to place orders under this BPA:

OFFICE POINT OF CONTACT

\_\_\_\_\_  
\_\_\_\_\_\_\_\_\_\_  
\_\_\_\_\_

- (7) Orders will be placed against this BPA via Electronic Data Interchange (EDI), FAX or paper.
- (8) Unless otherwise agreed to, all deliveries under this BPA must be accompanied by delivery tickets or sales slips that must contain the following information as a minimum:
- (a) Name of contractor;
  - (b) Contract number;
  - (c) BPA number;
  - (d) Model number or National Stock Number (NSN);
  - (e) Purchase order number;
  - (f) Date of purchase;
  - (g) Quantity, unit price, and extension of each item (unit prices and extensions need not be shown when incompatible with the use of automated systems; provided, that the invoice is itemized to show the information); and
  - (h) Date of shipment.
- (9) The requirements of a proper invoice are as specified in the Federal Supply Schedule contract. Invoices will be submitted to the address specified within the purchase order transmission issued against this BPA.
- (10) The terms and conditions included in this BPA apply to all purchases made pursuant to it. In the event of an inconsistency between the provisions of this BPA and the Contractor's invoice, the provisions of this BPA will take precedence.

**\*IMPORTANT** – A new feature to the Federal Supply Schedules Program permits contractors to offer price reductions in accordance with commercial practice. Teaming Arrangements are permitted with Federal Supply contractors in accordance with FAR Part 9.6.

Revised 9/96

This Research Bulletin is issued as part of INPUT's Federal Information Technology Market Analysis Program. If you have questions or comments on this bulletin, please call your local INPUT organization or Norm Berthaut at INPUT, 1921 Gallows Road, Suite 250, Vienna, VA 22182; Tel. (703) 847-6870.

# Research Bulletin

A Publication from INPUT's Federal IT Market Analysis Program

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November 1996

## Franchise Funds: Threat or Opportunity

### Background

In recent years there has been considerable growth of cross-servicing within the federal government. Enterprising service organizations have expanded their services to other federal agencies on a reimbursable basis.

There have been a number of successful efforts in the Department of Defense, Department of Agriculture, Department of Treasury and others, including the General Services Administration's Federal Computer Acquisition Center for Automatic Data Processing procurements. The success of these organizations set the stage for expansion of this concept to all of the federal government in the form of a franchising fund.

The franchising fund has its roots in the National Performance Review(NPR) and the concept draws on most of the principles of the NPR including:

- ☐ Focusing on the need of the line manager

- ☐ Injecting competition
- ☐ Finding market solutions instead of administrative ones
- ☐ Decentralizing authority
- ☐ Fostering excellence

The term "franchising" refers to internal services based on three basic concepts. They are reimbursable, competitive and conducted within government-wide principles and criteria.

The goal of the franchise fund is to lower the cost and increase the efficiency of government operations by letting agencies use their strongest services and outsource other areas.

The Government Management Reform Act of 1994 (Public Law 103-356) authorized agencies on a pilot basis to provide certain common administrative support services such as personnel, travel processing, procurement, information technology, facilities management, and accounting on a reimbursable basis both internally and to other federal agencies. The Act authorized

the establishment of six franchise fund pilot programs. The six agencies selected by the Office of Management and Budget are:

- ☐ Department of Commerce
- ☐ Department of Health and Human Services
- ☐ Department of Interior
- ☐ Department of Treasury
- ☐ Department of Veterans Affairs
- ☐ Environmental Protection Agency

Although there are a number of fee-for-service organizations operating today under various statutory authorities, including the Economy Act (31 USC, 1535 and 1932), the Government Employees Training Act (Public Law 85-07, Title 5 Chapter 41, U.S. Code), and various statutory authorized industrial, working capital, or revolving funds, this Act expands the base of existing competitive administrative support services.

### **Common Administrative Support Services**

These services are defined as support services that most agencies need in order to operate efficiently and effectively. Examples (not all inclusive) include accounting, financial management, information resources management, personnel contracting, payroll, security and training.

The customers for these services are typically employees of the franchise fund agency or other government agencies including state and local governments. Information systems, software solutions and information technology solutions are included in these support services.

### **Franchise Fund Pilot Programs**

These programs use revolving funds generally to carry out authorized common administrative services to be provided competitively within or between agencies. Executive agencies receiving such authorization may operate one or more franchises within a fund as approved by the head of the agency.

### **Franchise**

A franchise is an entrepreneurial activity within a government organization that provides common administrative support services to other agencies or other components within the same agency. A franchise may offer one or more common administrative services and generally conducts its business:

- ☐ on a reimbursable basis offering its services to other agencies and/or components of its own
- ☐ in a manner that fosters competition
- ☐ within appropriate standards and legal authorities for both the service rendered and the method of accounting for franchise expenditures and charges

Like the concept in private industry, franchises must meet customer needs by providing quality services in order to be financially self-sustaining; and provide customers the right to choose sources that will best meet their needs.

### **Summary of Legislation**

Franchise fund authorization is contained in the Government Management Reform Act of 1994, Public Law 103-356, October 13, 1994, Section 403.



It authorizes a pilot in each of six executive branch agencies.

It requires the Director of OMB to designate the pilots after consultation with the Chair and ranking member of the Appropriations Committees, and the Senate, Governmental Affairs and House, Government Operations Committees (retitled House, Committee on Government and Oversight).

The OMB Director is required to issue guidelines for the implementation of the pilots.

The head of the Agency (in accordance with the OMB guidelines and the OMB Director's concurrence) is designated to pick the common administrative support services (franchises) which will be provided through the franchise fund.

It permits the fund to acquire capital equipment, automated data processing systems, financial management and management information systems necessary to conduct the business of the fund. The head of the Agency is permitted to transfer to the franchise fund:

- ☐ Unexpended balances available in accounts which were to be used for the purposes of the fund
- ☐ Existing inventories, inventories on order, equipment, and other assets or liabilities pertaining to the purposes of the fund

It authorizes the fund to charge fees established by the head of the Agency and covering the total estimated costs of operating the franchise fund; the fees will be deposited in the fund and remain available until expended, and should be expended for purposes of the fund.

It instructs that the services provided by the fund shall be provided on a competitive basis. Agencies are allowed to make up to a three percent profit on services they provide their own agency, other federal agencies or state and local government units.

It provides the necessary authorization for appropriations to remain available until expended.

It requires the Director of OMB to report on the pilots by March 31, 1998. The report is to include the financial and program performance results of the pilots including recommendations for:

- ☐ Structure of the fund
- ☐ Composition of the funding mechanism
- ☐ Capacity of the fund to promote competition
- ☐ Desirability of extending the application and implementation of the franchise fund to other federal agencies

The pilot's authority is terminated October 1, 1999, unless it is extended. Agencies are not exempted from any duty under applicable procurement laws.

### **Early Returns**

Results to date with this program are mixed for the agencies selling their services to other agencies. Some of the problems experienced by the agencies are not unexpected. Acceptance of paying for services internally provided by government agencies, costing and pricing of services provided, and marketing the service offerings are among the major problems encountered by the franchise agencies.

The number of contracts closed and the type of services provided range from accounting services, software solutions, information technology services, human resource services, mail services and even fitness centers. Many of these contracts have private sector partners who provide various levels of expertise including marketing.

The Commerce Department and Veterans Affairs are in the lead with IT contracts. They have a substantial number of federal accounts and some state and local government customers. The commerce department has been the most aggressive in its marketing efforts which included a full page add in the November issue of *Government Executive* magazine offering a variety of software and information technology solutions including accounting, client/server and data warehousing.

### **The Threat**

In a recent issue of *Government Computer News* an article on the franchise fund agencies entering the government systems services market warned "Watch out Unisys, IBM, and Electronic Data Systems. Five federal agencies--soon six--are going after your government systems services market." With this type of inflammatory press coverage it is no wonder that federal vendors might be concerned.

Initially, many government contractors saw this legislation as a threat to their government business opportunities. The vendors are opposed to the concept of taxpayer-funded government agencies competing against them. Others, while

annoyed by this additional competition, take the position that if they cannot compete effectively against the government, they should rethink their strategy of being in the government IT market.

Industry trade associations have generally not taken a public position opposing the legislation. While hesitant to openly oppose this concept, they are concerned about "non-profit" competition from the government.

### **The Opportunity**

Other government contractors have looked at this legislation as the "half full glass" and see marketing opportunities for their services. The need for technical skills, expertise in pricing IT services and providing marketing skills present a unique opportunity for vendors to form partnerships with the franchise agencies.

Some vendors have already done this, including AMS for its financial software and Keane Federal Systems for professional services and marketing support. Other vendors should consider this example and seek out partnership opportunities with the franchise fund agencies and build relationships where it makes sense. This will position them for the opportunities sure to come.

### **Conclusions**

It seems clear that the funds will be in full force by FY 1998, successful, and OMB, in its report on pilot programs, will recommend extending the franchise fund.

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# Research Bulletin

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## The Federal Telecommunications System 2000 Alternatives

### Post FTS 2000

FTS 2000 may be the most widely recognized acronym in the federal telecommunications market. The Federal Telecommunications System 2000 (FTS 2000) provides long distance telecommunications service to the entire federal government and accounts for a significant percentage of federal telecommunications spending. The current development of the follow-on Post FTS 2000 will have a profound effect on the way the entire federal telecommunications market will evolve in the next five years.

### Current Status

Congress has mandated that GSA delay releasing the post-FTS 2000 request for proposals until mid-February. This will result in the current FTS 2000 contracts being extended for at least six months according to GSA's Robert J. Woods. In addition, this mandate required GSA to submit a report to Congress on its FTS program strategy and business plan analyses.

This report was in response both to Congress ordering the report in its omnibus fiscal 1997 appropriations bill and a series of letters from Senator Ted Stevens (R-Alaska) requesting more detailed information on how GSA planned to incorporate changes in the Telecommunications Act of 1996 into the post FTS 2000 program strategy.

### Procurement Strategy

Post FTS 2000 was formally introduced in 1994 with an acquisition alternatives white paper published by the Acquisition Working Group of the Interagency Management Council (IMC). Based on analysis of factors including interoperability, cost, and transition impacts, IMC concluded that the comprehensive contracts approach yielded the best overall solution. This decision was not that surprising because this is the same acquisition approach used for FTS 2000.

In August 1995, GSA released draft requests for proposals (DRFPs) for both telecommunications service and technical and management support. GSA also planned to award niche contracts for specific



services in addition to the comprehensive contracts. In this manner, GSA hoped to address the negative aspects of limited flexibility and competition while maintaining the benefits of the comprehensive approach.

In February 1996, GSA responded to vendor complaints about the niche contract strategy by revising the Post FTS 2000 acquisition plan to include niche contracts only on an as-needed basis. However, to ensure competition, GSA decided to award three comprehensive services contracts instead of two.

The Telecommunications Act of 1996 was passed by Congress. Also, the IMC released the revised Post FTS 2000 program strategy and FTS 2000 completed a price redetermination and service reallocation action.

In the summer of 1996, GSA received three letters from different members of Congress and, after considerable discussion with the staff of the relevant congressional committees, clarified the issues involved. The IMC incorporated this guidance into the evolving strategy, while retaining the desirable attributes also achieved.

In September 1996 Congress mandated that the Post FTS 2000 RFP could not be released until February 1997, and a requirement for a report to be submitted by December 1, 1996. On October 15, 1996, Senator Ted Stevens sent a letter detailing his view on the required scope of this report.

## Report Highlights

In the executive summary of the report dated December 1996, GSA outlined the Federal Telecommunications Service

(FTS) Program strategy, the planned implementation and its justification.

In the report GSA stated the four principles that provide an overarching structure within which the program strategies have been developed. These principles have been developed and refined with the help of user groups and have drawn extensively on GSA's successful experience with the FTS 2000 Program. These principles in order of priority are to:

- ❑ Ensure continuity of service to users
- ❑ Provide up-to-date, cost effective and easy to use telecommunications services to users
- ❑ Maintain an aggressive approach to government-wide telecommunications in light of telecommunications reform, changing technologies, changing industry structure and evolving user needs
- ❑ Be an educated and pro-active consumer in the marketplace

## Lessons Learned

According to GSA over the past eight years of the FTS 2000 Program and the last three years of Post FTS 2000 discussion, GSA has learned four fundamental lessons. These lessons have been verified by user reviews, General Accounting Office (GAO) audits, industry trade groups, and congressional hearings.

Since getting the best prices and service for the government user is GSA's goal, these four lessons, which are considered in every discussion made in the FTS Program, form the basis of any review of this report.

The four lessons are:

- ❑ Competition works to get the best prices and best quality service
- ❑ The government has significant volumes and requirements to leverage
- ❑ The future environment is uncertain in technology, in the marketplace and in government requirements
- ❑ Use the private sector to the maximum extent possible

An uncertain future requires maximum government flexibility. This is obtained by extracting long term price commitments from the providers and by retaining the ability to use new and other approaches at any time.

## Regulatory Change

The past year has seen some fundamental changes to the way in which telecommunications products and services are acquired by the federal government. The Telecommunications Act of 1996 radically altered the competitive structure of the market. Procurement reform has changed the way in which the federal government is acquiring all manner of information technology products and services. The General Services Administration (GSA) has also relaxed the rules regulating the multiple award schedules program, and, as a result, has greatly increased its value as a procurement method.

All of these regulatory changes will affect the nature of the federal telecommunications market by forcing agencies to rethink how they acquire, and ultimately how they use telecommunications products and services.

## Telecommunications Act of 1996

The Telecommunications Act of 1996 is at the center of the rapidly changing federal telecommunications market. Passed into law in February 1996, the Act is the first major examination of U.S. telecommunications policy since the Communications Act of 1934.

The main thrust of the Telecommunications Act is to break down the barriers to competition in the various segments of the telecommunications industry. Previously, regulatory barriers existed that prevented companies from competing in different markets simultaneously. The subsequent blurring of the telecommunications industry has created a great deal of uncertainty about the future of the market.

It is certain that the Telecommunications Act of 1996 will create an impact on the federal market through increased competition. Federal telecommunications purchasers will likely be facing an increasingly varied array of products and services from which to choose. This will have a much more noticeable effect than the content regulations, which have been causing such a stir in the commercial world.

Shockwaves of the Telecommunications Act are already being felt at GSA, where the Post FTS 2000 program office has released a revised program strategy allowing for a combined local and long distance service contract several years down the road (after competition has sorted itself out).

## Procurement Reform

Both the Federal Acquisition Reform Act of 1996 (FARA) and the Information Technology Management Reform Act of 1996 (ITMRA), contained in the National Defense



Authorization Act of 1996, ushered in a new era of acquiring and managing information technology (IT) by streamlining purchasing practices and eliminating cumbersome regulations. The acts, now collectively known as the Clinger-Cohen Act, are intended to solve problems related to efficiency and cost-effectiveness in the procurement process.

The reform places responsibility and accountability squarely on the agencies, while easing their regulatory burden. The Clinger-Cohen Act's repeal of the Brooks Act has removed GSA as the center of federal information technology policy and oversight. This is now the responsibility of the OMB and the agency Chief Information Officers (CIOs).

However, GSA is asserting its position as an important player in the procurement of information technology in three distinct ways. It is pursuing Post FTS 2000 and the possibility of creating a comprehensive local and long distance service program in the post-Telecommunications Act market. GSA is aggressively expanding the functionality of the multiple award schedules, emphasizing electronic purchasing on GSA Advantage! GSA is also pursuing other innovative contracting approaches.

### **Effect of the Telecommunications Act of 1996**

The Telecommunications Act of 1996 is already having an impact on the pre-solicitation Post FTS 2000 program. By removing the regulatory barriers between different segments of the

telecommunications market, the Telecommunications Act of 1996 has radically altered the competitive structure of the telecommunications industry and with it, much of the foundation of the Post FTS 2000 acquisition strategy.

Bowing to congressional pressure to reevaluate the Post FTS 2000 acquisition strategy, GSA released yet another revised acquisition plan in September 1996. This plan calls for an interim services contract to cover the next five years, allowing time for the telecommunications market to sort itself out competitively.

### **Market Position**

The significance of the FTS 2000 program in the federal telecommunications market is staggering, considering the fact that it is merely two contracts with two contractors collecting all of the revenue. In fiscal year 1995, the government reportedly spent \$761 million on FTS 2000 services. That gives the FTS 2000 contractors, AT&T and Sprint, a 15% share of the total federal telecommunications market, \$5.2 billion in FY 1995 and growing to \$6.0 billion by FY 2001.

### **Conclusion**

Post FTS 2000 will indeed have a profound effect on the entire government market for telecommunications. As final RFPs are released and vendors begin in earnest the task of preparing proposals, they should keep in mind the scope of what they are undertaking and its significance to the total federal telecommunications market.

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# Agency Profile

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## Executive Office of the President

### Purpose

The Executive Office of the President exists in order to assist the President in executing the goals of his administration and the duties of his office.

### Organization

The divisions and functions of the Executive Office of the President were established by Executive Order #8248 on September 8, 1939. Subsequent Presidents have used executive orders, reorganization plans and legislative initiatives to make the composition of the Executive Office compatible with the goals of their administrations.

Based in and around the White House, the Executive Office currently employs approximately 1,600 people.

The organizational structure of the Executive Office of the President is presented in Exhibit 1.

Exhibit 1

### Agency Organization

President

Vice President

- White House Office
- Office of Management and Budget
- National Security Council
- Council of Economic Advisors
- United States Trade Representative
- Council on Environmental Quality
- Office of National Drug Control Policy
- Office of Science and Technology Policy
- Office of Administration
- Office of National AIDS Policy
- Office of Policy Development
- Office of the Vice President
- Office of the First Lady
- President's Commission on White House Fellowships
- Foreign Intelligence Advisory Board
- White House Executive Office
- Presidential Correspondence

Source: Carroll Publishing 1995



## Program Activities

Below are the primary organizations within the Executive Office of the President:

### *a. White House Office*

Headed by the President's Chief of Staff, The White House Office facilitates and maintains communication with the Congress, the heads of executive agencies, the media, and the general public. The various assistants to the President serve in whatever capacity the President may direct.

### *b. Office of Management and Budget (OMB)*

The OMB evaluates, formulates and coordinates management procedures and program objectives within and among federal departments and agencies. It also controls the administration of the federal budget while routinely providing the President with recommendations regarding budget proposals and relevant legislative enactments.

### *c. National Security Council (NSC)*

The NSC advises and assists the President in integrating all aspects (domestic, foreign, military, intelligence and economic) of national security policy as it affects the United States.

### *d. Council of Economic Advisers (CEA)*

The CEA analyzes the national economy and its various segments, advises the President on economic developments, appraises the economic programs and policies of the federal government, recommends to the President policies for economic growth and stability, assists in the preparation of presidential economic reports to Congress, and prepares the Annual Report of the Council of Economic Advisers.

### *e. United States Trade Representative*

The Office of the U.S. Trade Representative is the agency charged by the President with setting and administering overall trade policy. The U.S. Trade Representative is the chief

representative of the United States for all activities concerning the Geneva Agreement on Tariffs and Trade, and any discussions, meetings, and negotiations, including those in the Organization for Economic Cooperation and Development and the United Nations Conference on Trade and Development, when such activities deal primarily with trade and commodity issues. The U.S. Trade Representative is also the chief U.S. representative for negotiations under sections 704 and 734 of the Tariff Act of 1930 (19 U.S.C. 1671c and 1673c), and for negotiations concerning direct investment incentives and disincentives, as well as bilateral investment issues concerning investment barriers.

### *f. Council on Environmental Quality (CEQ)*

The CEQ develops and recommends to the President national policies to further environmental quality, performs a continuing analysis of changes or trends in the national environment, reviews and appraises programs of the federal government to determine their contributions to sound environmental policy, conducts research, studies, and analyses relating to ecological systems and environmental quality, assists the President in the preparation of the annual environmental quality report to Congress, and oversees implementation of the National Environmental Policy Act.

### *g. Office of National Drug Control Policy*

The Office of National Drug Control Policy coordinates federal, state and local efforts to control illegal drug abuse and devises national strategies to effectively carry out anti-drug activities.

### *h. Office of Science and Technology Policy*

The Office of Science and Technology Policy serves as the source of scientific, engineering, and technical analysis and judgment for the President with respect to major policies, plans and programs of the federal government.

*i. Office of Administration*

The Office of Administration provides administrative support services to all units within the Executive Office of the President. The services include information, personnel, and financial management, as well as data processing, library services, records maintenance, and general office operations such as mail, messenger, printing, procurement and supply services.

*j. Office of the Vice President*

The Office of the Vice President assists the Vice President in the performance of his roles as President of the Senate, Cabinet member, National Security Council member, and member of the Board of Regents of the Smithsonian Institution.

*k. Office of the First Lady*

The Office of the First Lady serves at the discretion of the President to support the activities of the President and First Lady.

*l. President's Commission on White House Fellowships*

The purpose of the White House Fellows Program is to provide gifted and highly motivated young Americans firsthand experience in the process of governing the nation and a sense of personal involvement in the leadership of society.

*m. Foreign Intelligence Advisory Board (FIAB)*

The FIAB provides advice to the President concerning the quality and adequacy of intelligence collection, of analysis and estimates, of counterintelligence, and of other intelligence activities. The FIAB, through its Intelligence Oversight Board, also advises the President on the legality of foreign intelligence activities.

## Program Budget

The program budget for the Executive Office of the President is expected to remain fairly stable in the foreseeable future. The only dramatic change is in the Office of National Drug Control Policy which has incurred a budget cut of almost 80% since fiscal year 1994. The program budget for the Executive Office of the President is presented in Exhibit 2.

## Exhibit 2

**Program Budget of the Executive Office of the President**

<b>Program Activity</b>	<b>FY94 (actual)</b>	<b>FY95 (estimate)</b>	<b>FY96 (estimate)</b>	<b>FY97 (estimate)</b>
The White House Office	39	40	40	39
Office of Management and Budget	57	58	56	55
National Security Council	7	7	7	6
Council of Economic Advisers	3	3	3	3
Office of the U.S. Trade Representative	21	21	21	20
Council on Environmental Quality	1	1	2	2
Office of National Drug Control Policy	46	10	10	10
Office of Science and Technology Policy	4	5	5	5
Office of Administration	25	26	26	25
Office of Policy Development	5	5	4	4

*All figures in \$ Millions*

*Source: Budget of the United States Government FY1996, February 8, 1995*

**Information Technology Budget**

The Executive Office of the President spends less than \$50 million per year on information technology. As a result, it is not required to submit an A-11 report to the Office of Management and Budget.

One significant Executive Office of the President acquisition is for facilities management services. This acquisition will recompet a PRC contract awarded in September 1992. PRC currently provides facilities management services including management, administration, production control, data entry, systems programming and communication. The PRC contract is worth \$20 million over a period of five years.

**Top Contractors at the Executive Office of the President**

A list of the top IT contractors with the Executive Office of the President is provided in Exhibit 3. This data is based on contract actions filed with the Federal Procurement Data Center at the General Services Administration.



## Exhibit 3

### Top Contractors at the Executive Office of the President 4QFY94–3QFY95

1. PRC, Inc.
2. Computech, Inc.
3. CSR, Inc.
4. Pulsar Data Systems
5. Botec Analysis Corporation
6. Bell Atlantic
7. Mead Data Central
8. Information Management Consultants
9. Subsystem Technologies, Inc.
10. Bright Associates, Inc.

Source: Federal Procurement Data Center

### Issues at the Executive Office of the President

1. One of the most notable initiatives to come out of the Executive Office of the President is the National Performance Review (NPR). Initiated in March 1993 by President Clinton, the NPR's goal is to restructure the federal government in such a way as to eliminate obsolete programs and regulations, and emphasize customer service within federal agencies. In September 1995, a report was released providing an NPR status update.

After two and a half years, NPR accounts for the elimination of 16,000 pages of federal regulations, a reduction of 160,000 people from the federal workforce, and \$58 billion in savings to the federal budget. An additional savings of \$50 billion is expected based on 1993 proposals. The National Performance Review does not have a projected end date. On the contrary, the NPR is expected to be a continuing process,

constantly evaluating the government and ensuring that it is focused both on customer service and on the most efficient utilization of its resources.

2. In response to the National Performance Review, the Office of Management and Budget initiated a program called OMB 2000 in March 1994. The program was intended to reorganize and restructure the OMB in order to improve decision-making processes and oversight of the executive branch operations.

The General Accounting Office, on December 29, 1995, released a report evaluating the progress of the OMB 2000 program. The GAO found that, in addition to organizational changes, the OMB had significantly improved the attention to agency management issues. However, the GAO identified a continuing problem with distancing the OMB management objectives from short term budgetary concerns. The GAO recommended a more concerted effort in the areas of training and management accessibility.

3. E-mail has become a very important means of intragovernmental communication over the past few years. It has become important enough for the National Archives and Records Administration to, in August 1995, issue guidelines on E-mail preservation for the purposes of federal record keeping. This action was probably due largely to the conclusion of the U.S. District Court case of Armstrong vs. the Executive Office of the President.

The case was initiated in January 1989 by journalist Scott Armstrong who filed suit to preserve Reagan administration E-mail which was to be erased before George Bush took office. Mr. Armstrong believed that the

electronic documents contained valuable information about events such as the Iran-Contra arms deal. After eight years, the court decided in his favor. U.S. District Court Judge Charles R. Richey ruled that White House E-mail must be reviewed to determine its value as a federal record.

4. The Executive Office of the President has joined the internet community with its Interactive Citizens Handbook on the World Wide Web at [www.whitehouse.gov](http://www.whitehouse.gov). The Interactive Citizens Handbook contains information about presidential initiatives and accomplishments, as well as Executive Office of the President organization and function. The Web site also provides access to presidential documents such as press releases, speeches and reports, and hot links

to executive branch departments, agencies and commissions.

## **Major Points of Contact**

### **President of the United States**

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### **Acting Director, Information Systems and Technology**

James Wright  
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### **EOP Publications Service**

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This Agency Profile is issued as part of INPUT's Federal IT Market Analysis Program. If you have questions or comments on this profile, please call your local INPUT organization or Barbara Flaherty at INPUT, 1921 Gallows Road, Suite 250, Vienna, VA 22182-3900. Tel. (703) 847-6870.

# Agency Profile

A Publication from INPUT's Federal IT Market Analysis Program

Vol. II, No. 2

January 1996

## Agency for International Development

### Purpose

The Agency for International Development (AID) administers U.S. foreign economic and humanitarian assistance programs in more than 100 countries in the developing world, Central and Eastern Europe, and the New Independent States of the former Soviet Union.

### Organization

The Agency for International Development, often thought to be an independent agency, is technically a subagency of the International Development Cooperation Agency (IDCA). However, the distinction is currently moot as AID's Administrator, J. Brian Atwood, is also Acting Administrator of the IDCA.

The Agency for International Development is headquartered in Washington, DC, but maintains missions and offices in almost 90 countries worldwide. AID currently employs approximately 4,000 people at its headquarters and overseas offices. However, with the FY96 appropriation bill passed, significant staff reductions are anticipated in order to offset agency budget cuts.

The organizational structure of the Agency for International Development is presented in Exhibit 1.

Exhibit 1

### Agency Organization

- |  |
|--|
| Administrator<br>Deputy Administrator <ul style="list-style-type: none"> <li>• Bureau for Management</li> <li>• Financial Management</li> <li>• Staff Offices</li> <li>• Policy and Program Coordination Bureau</li> <li>• Legislative and Public Affairs Bureau</li> <li>• Humanitarian Response Bureau</li> <li>• Global Programs, Field Support, and Research Bureau</li> <li>• Africa Bureau</li> <li>• Latin America and the Caribbean Bureau</li> <li>• Europe and the New Independent States Bureau</li> <li>• Asia and the Near East Bureau</li> </ul> |
|--|

Source: Carroll Publishing 1995



## Program Activities

Below are the primary program activities of the Agency for International Development:

### *a. Population and Health*

AID contributes to a global effort to stabilize world population growth and support women's reproductive rights. The types of population and health programs supported vary with the particular needs of individual countries and the kinds of approaches that local communities initiate and support. Most AID resources are directed to the following areas: support for voluntary family planning systems, reproductive health care, needs of adolescents and young adults, infant and child health, and education for girls and women.

### *b. Economic Growth*

AID promotes broad-based economic growth by addressing the factors that enhance the capacity for growth and by working to remove the obstacles that stand in the way of individual opportunity. To achieve this, programs concentrate on strengthening market economies, expanding economic opportunities for the disadvantaged in developing countries, and building human skills to facilitate broad-based participation.

### *c. Environment*

AID environmental programs support two strategic goals: reducing long-term threats to the global environment, particularly loss of biodiversity and climate change, and promoting sustainable economic growth locally, nationally and regionally by addressing environmental, economic and developmental practices that impede development. Globally, AID programs will focus on the reducing sources and enhancing sinks of greenhouse gas emissions and on promoting innovative approaches to the conservation and sustainable use of the planet's biological diversity. This may be accomplished by improving agricultural, industrial, and natural resource management

practices that play a central role in environmental degradation, strengthening public policies and institutions to protect the environment, holding dialogues with country governments and international agencies on environmental issues, and conducting environmental research and education.

### *d. Democracy*

The Agency's strategic objective in the democracy area is the transition to and consolidation of democratic regimes throughout the world. Programs will focus on problems including human rights abuses, misperceptions about democracy and free-market capitalism, lack of experience with democratic institutions, and nonexistent, ineffectual, or undemocratic political parties. Programs also focus on disenfranchisement of women, indigenous peoples and minorities, failure to implement national charter documents, powerless or poorly defined democratic institutions, tainted elections, and the inability to resolve conflicts peacefully.

### *e. Humanitarian Assistance and Post-Crisis Transitions*

AID provides humanitarian assistance to save lives, reduce suffering, help victims return to self-sufficiency, and reinforce democracy. Programs focus on disaster prevention, preparedness, and mitigation, as well as timely delivery of disaster relief and short-term rehabilitation supplies and services. Programs also help in the preservation of basic institutions of civil governance during disaster crisis, support for democratic institutions during periods of national transition, and building and reinforcement of the local capacity to anticipate and handle disasters and their aftermath.

### *f. Overseas Organizations*

AID country organizations are located in countries where a bilateral program is being implemented. The in-country organizations

are subject to the direction and guidance of the chief U.S. diplomatic representative in the country, usually the Ambassador. The organizations report to the Agency's assistant administrators for the four geographic bureaus--the Bureaus for Africa, Asia and Near East, Europe and the New Independent States, and Latin America and the Caribbean.

There are three types of country organizations: AID missions, offices of the USAID representative, and USAID sections of the embassy. USAID missions are located in countries in which the U.S. economic assistance program is major, continuing, and usually involves multiple types of aid in several sectors. Offices of the USAID representative are located in countries in which the economic assistance program is moderate, declining, or has limited objectives. USAID sections of the embassy are located in countries where the assistance program is very small or is being phased out. The overseas program activities that involve more than one country are administered by regional offices.

## Program Budget

The President's FY96 proposed budget for the Agency for International Development (Exhibit 2) shows a peak in funding for most programs in FY96 with a decline in FY97. However, on January 26, 1996, the President signed into law HR 2880, the continuing resolution that averted a third federal government shutdown. This resolution also provided funding for U.S. foreign operations for the remainder of FY96.

As a result of the final appropriations bill, AID's overall program funding for FY96 has been cut by 22% from levels in the President's proposed budget. Development assistance funding was cut by \$484 million or 23%. Economic assistance funding was cut by \$139 million, although funds for Egypt and Israel were earmarked at the requested levels. Funding was cut by 19% for the New Independent States and 32% for Eastern Europe. International disaster assistance was cut by \$19 million or almost 10%. Finally, AID's operating expenses were cut by \$63 million or 12%, forcing the acceleration of cuts in the workforce and in the number of overseas missions.

Exhibit 2

### Program Budget of the Agency for International Development

Program Activity	FY94 (actual)	FY95 (estimate)	FY96 (estimate)	FY97 (estimate)
Sustainable Development Assistance Program	1,146	1,319	1,300	1,261
Assistance for the New Independent States	1,154	719	788	764
Assistance for Eastern Europe and the Baltic States	383	359	480	466
Development Fund for Africa	784	802	802	778
International Disaster Assistance	166	170	200	194
AID Operating Expenses	519	518	529	513

All figures in \$ Millions

Source: Budget of the United States Government FY1996, February 8, 1995



## Information Technology Budget

The information technology budget of the Agency for International Development shows moderate growth in most areas. Of particular note is the allocation of more than half of AID's IT budget for support services. Another interesting point is that more than 80% of AID's IT budget is contracted out. Even though AID's FY96 operating budget has been cut by 12% from requested levels, this is not expected to have a serious impact on the agency's IT budget. AID, like most

federal agencies, has placed a high priority on information technology to combat shrinking budgets and workforces.

The compound annual growth rate (CAGR) for the agency's total IT spending over the period shown is 3%. The information technology budget of the Agency for International Development is provided in Exhibit 3.

Exhibit 3

### Information Technology Budget of the Agency for International Development

Category	1995	1996	1997	1998	1999	2000	CAGR 1995- 2000
<b>Equipment:</b>							
Capital Purchases	\$9,215	\$8,417	\$8,964	\$9,412	\$9,883	\$10,525	3%
Other Purchases and Leases	361	242	258	271	284	303	-3%
<b>Total Equipment</b>	<b>9,576</b>	<b>8,659</b>	<b>9,222</b>	<b>9,683</b>	<b>10,167</b>	<b>10,828</b>	<b>2%</b>
<b>Software:</b>							
Capital Purchases	1,384	690	731	775	822	879	-9%
Other Purchases and Leases	2,667	2,309	2,471	2,619	2,776	2,970	2%
<b>Total Software</b>	<b>4,051</b>	<b>2,999</b>	<b>3,202</b>	<b>3,394</b>	<b>3,598</b>	<b>3,850</b>	<b>-1%</b>
<b>Services (Processing and Telecom.)</b>	<b>2,693</b>	<b>2,651</b>	<b>2,810</b>	<b>2,951</b>	<b>3,098</b>	<b>3,284</b>	<b>4%</b>
<b>Support Services</b>	<b>26,830</b>	<b>26,780</b>	<b>29,190</b>	<b>31,234</b>	<b>33,264</b>	<b>35,592</b>	<b>6%</b>
<b>Supplies</b>	<b>1,336</b>	<b>1,464</b>	<b>1,537</b>	<b>1,614</b>	<b>1,679</b>	<b>1,763</b>	<b>6%</b>
<b>Personnel</b>	<b>8,780</b>	<b>8,620</b>	<b>8,318</b>	<b>8,027</b>	<b>7,746</b>	<b>7,475</b>	<b>-3%</b>
<b>Contracted Out Portion of IT Budget</b>	<b>43,150</b>	<b>41,089</b>	<b>44,424</b>	<b>47,261</b>	<b>50,127</b>	<b>53,554</b>	<b>4%</b>
<b>Total IT Budget</b>	<b>53,266</b>	<b>51,173</b>	<b>54,280</b>	<b>56,902</b>	<b>59,551</b>	<b>62,791</b>	<b>3%</b>

All figures in \$ Thousands

Source: Agency for International Development and INPUT



## IT Contract Opportunities

The major Agency for International Development acquisitions summarized below are in the preproposal stage:

### *a. Support Services*

AID has a requirement for automatic data processing (ADP) support services for its Washington, DC offices and worldwide missions.

### *b. ADP and Telecommunications Services*

INPUT expects AID to recompile its requirement for ADP and telecommunications services currently being satisfied by Software Control International, Inc.

### *c. Technical Support Services*

INPUT expects AID to recompile its requirement for technical support services including administrative and logistical support, program support, technical support and public affairs currently being provided by International Resources Group, Ltd.

### *d. ADP Hardware and Software*

INPUT expects AID to recompile its requirement for ADP hardware and software currently being provided by Government Micro Resources, Inc.

### *e. New Management System Recompile*

INPUT expects AID to recompile its requirement for hardware and software installation and maintenance for the New Management System currently being provided by Mantech Services Corporation.

## Top Contractors and Contracts

A list of the top IT contractors with the Agency for International Development is provided in Exhibit 4. This data is based on contract actions filed with the Federal Procurement Data Center at GSA. Some of the major IT contracts at AID are listed in Exhibit 5.

Exhibit 4

### Top Contractors at AID 4QFY94–3QFY95

1. Partners for International Education
2. ABT Associates, Inc.
3. Family Health International
4. Futures Group, Inc.
5. Partnership for Child Health Care, Inc.
6. John Snow, Inc.
7. KPMG Peat Marwick, LLP
8. Lance Bailey and Associates
9. Planning and Development Collaborative International
10. University of North Carolina

Source: Federal Procurement Data Center

Exhibit 5

### Major Contracts at the Agency for International Development

<u>Program</u>	<u>Type</u>	<u>Size</u>	<u>Description</u>
1. Automated Data Processing and Telecommunications Services	Facilities Management	\$37M 5 yrs.	Software Control International, Inc. provides the Agency for International Development with facilities management services and systems development.  Awarded in November 1994.
2. New Management System (NMS)	HW/SW	\$21M 5 yrs.	Mantech Services Corporation provides client-server hardware, software and installation at AID headquarters and 44 missions worldwide as a part of AID's business process reengineering effort.  Awarded in September 1992.
3. Technical Support Services	Professional Services	\$8.7M 5 yrs.	International Resources Group, Ltd. provides administrative and logistical support, program support, technical support and public affairs.  Awarded in April 1995.
4. ADP Hardware and Software	HW/SW	\$9.9M 4 yrs.	Government Micro Resources, Inc. provides automatic data processing hardware and software to the Agency for International Development.  Awarded in September 1992.

Source: INPUT

### Issues at the Agency for International Development

1. The greatest concerns at the Agency for International Development center around the shrinking agency budget and attempts to eliminate the agency altogether. AID's approved FY96 appropriation cuts program funding by 22% from requested levels. This will have a significant impact on AID's effectiveness and is causing the agency to make deep cuts in its workforce and in the number of overseas missions. AID, along with the U.S. Information Agency and the Arms Control and Disarmament Agency, was targeted for elimination in March 1995 by Senator Jesse Helms in his Foreign Relations Revitalization bill. The bill did

not pass due to Democratic filibustering and the threat of a presidential veto. However, Senator Helms has not given up on his plan and the future of AID remains in doubt. One thing is clear. In order to survive, the Agency for International Development will have to prove itself a vital, effective agency while it deals with a rapidly shrinking budget.

2. The Agency for International Development is helping Egypt upgrade its telecommunications network around Cairo and Alexandria. AT&T is the contractor performing the recently awarded \$24 million project, approximately half of which is funded by AID. This project, which will install more than 100,000 lines and upgrade

switching facilities, is the fifth in a series of telecommunications projects AT&T has performed for the Arab Republic of Egypt Telecommunications Organization (ARENTO) since 1981. All of these projects have been made possible by assistance from AID.

3. The Agency for International Development has launched a new phase of its Lessons Without Borders program which will focus on the District of Columbia Housing Authority's Arthur Capper development. The Lessons Without Borders program is a national AID initiative to share experience between international and domestic programs. The goal of the program is to develop the best and most cost effective solutions to common problems.

4. Donald Charney, the Director of Finance and Chief Financial Officer of AID, was recently honored with a Distinguished Federal Leadership Award. The award recognizes his efforts to reengineer the AID financial management system. In accordance with Vice President Gore's National Performance Review, the agency has consolidated 11 separate financial systems into one worldwide system. This systems consolidation is a part of a broader agency reform effort which includes cutting staff and regulations, and implementing new strategies for effective management.

5. The Agency for International Development has made a great deal of information available on the Internet. AID information is accessible on the World Wide Web at <http://www.info.usaid.gov>; however, more complete and current information is available via gopher at <gopher://gaia.info.usaid.gov:70>. Users can access detailed program descriptions and agency information. Users can also browse press releases, speeches, and agency event announcements. Most notably, vendors can review extensive procurement information including CBD notices, award announcements, and AID procurement regulations.

## Major Points of Contact

### Administrator

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### Acting Director, Information Resources Management

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### Director, Office of Procurement

Marcus L. Stevenson  
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- Acquisition targets

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- Outsourcing options
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# Agency Profile

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## United States Secret Service

### Purpose

The U.S. Secret Service (USSS) is charged with protecting the life of the President and Vice President of the United States and their immediate families, the president-elect and vice president-elect and their immediate families, former presidents and their wives, the widows of former presidents until death or remarriage, minor children of a former president until they reach 16 years of age, heads of a foreign state or foreign government, and at the direction of the president, official representatives of the United States performing special missions abroad.

Furthermore, the Secret Service provides security at the White House complex, the Treasury Building and Treasury Annex, buildings which house presidential offices, the vice president's residence, and various foreign diplomatic missions in the Washington, DC metropolitan area or in other areas as designated by the president.

The mission of the Secret Service includes investigations related to certain criminal violations of the Federal Deposit Insurance Act, the Federal Land Bank Act, and the Government Losses in Shipment Act. The

Secret Service is also charged with the detection and arrest of any person committing any offense against the laws of the United States relating to coins, currency, stamps, government bonds, checks, credit/debt card fraud, computer fraud, false identification crime, and other obligations or securities of the United States.

### Organization

Organized under sections of Titles 3 and 18 of the United States Code, the Secret Service is an agency of the Department of the Treasury. The Director of the Secret Service, Eljay B. Bowron, reports to the Department of the Treasury Under Secretary for Enforcement.

Based in Washington, DC, the Secret Service manages 115 district offices across the United States and six overseas.

The organizational structure of Secret Service is presented in Exhibit 1.

Exhibit 1

### Agency Organization

Secretary of the Treasury  
Under Secretary for Enforcement

Director

Assistant Director

- Protective Operations
- Protective Research
- Inspection
- Investigations
- Administration
- Training
- Government Liaison & Public Affairs

*Source: Carroll Publishing 1995*

### Program Activities

The Secret Service is exempt from certain public disclosure activities normally required of other federal agencies. Under this exemption, the Secret Service will not divulge any organizational information about its divisions or activities. This exemption also impedes INPUT's ability to gather information concerning Secret Service procurements and funding.

### Program Budget

The program budget for the Secret Service is expected to experience moderate growth through FY97. Unfortunately, the Secret Service does not break their program budget down into subcategories beyond Salaries and Expenses. As a result, a more detailed analysis of the Secret Service's funding is not possible. The program budget for the Secret Service is presented in Exhibit 2.

Exhibit 2

### Program Budget of the Secret Service

Program Activity	FY94 (actual)	FY95 (estimate)	FY96 (estimate)	FY97 (estimate)
Salaries and Expenses	462	476	541	525

*Figures in \$ Millions*

*Source: Budget of the United States Government FY1996, February 8, 1995*

### Information Technology Budget

The Secret Service is expected to experience significant growth through fiscal year 2000, especially in the areas of hardware and software capital purchases. The contracted out portion of the Secret Service IT budget is approximately 80% of the total and is expected to continue growing. This indicates a very strong reliance on outside contractors for satisfaction of the Secret Service's IT requirements.

The compound annual growth rate (CAGR) for the Secret Service's total IT spending over the period shown is 8%. The information technology budget of the Secret Service is provided in Exhibit 3.



Exhibit 3

## Information Technology Budget of the Secret Service

Category	1995	1996	1997	1998	1999	2000	CAGR 1995- 2000
<b>Equipment:</b>							
Capital Purchases	\$4,328	\$7,347	\$7,825	\$8,216	\$8,627	\$9,187	27%
Other Purchases and Leases	4,120	4,780	5,091	5,345	5,612	5,977	-1%
<b>Total Equipment</b>	<b>8,448</b>	<b>12,127</b>	<b>12,915</b>	<b>13,561</b>	<b>14,239</b>	<b>15,165</b>	<b>24%</b>
<b>Software:</b>							
Capital Purchases	360	1,313	1,392	1,475	1,564	1,673	13%
Other Purchases and Leases	25	25	27	28	30	32	8%
<b>Total Software</b>	<b>385</b>	<b>1,338</b>	<b>1,419</b>	<b>1,504</b>	<b>1,594</b>	<b>1,705</b>	<b>11%</b>
<b>Services (Processing and Telecom.)</b>	<b>16,504</b>	<b>18,820</b>	<b>19,949</b>	<b>20,947</b>	<b>21,994</b>	<b>23,314</b>	<b>10%</b>
<b>Support Services</b>	<b>7,710</b>	<b>7,932</b>	<b>8,646</b>	<b>9,251</b>	<b>9,852</b>	<b>10,542</b>	<b>7%</b>
<b>Supplies</b>	<b>892</b>	<b>1,523</b>	<b>1,599</b>	<b>1,679</b>	<b>1,746</b>	<b>1,834</b>	<b>6%</b>
<b>Personnel</b>	<b>7,839</b>	<b>8,026</b>	<b>7,745</b>	<b>7,474</b>	<b>7,212</b>	<b>6,960</b>	<b>-3%</b>
<b>Contracted Out Portion of IT Budget</b>	<b>33,047</b>	<b>40,217</b>	<b>42,929</b>	<b>45,262</b>	<b>47,679</b>	<b>50,726</b>	<b>14%</b>
<b>Total IT Budget</b>	<b>41,778</b>	<b>49,766</b>	<b>52,273</b>	<b>54,416</b>	<b>56,638</b>	<b>59,519</b>	<b>8%</b>

All figures in \$ Thousands

Source: U.S. Secret Service and INPUT

## IT Contract Opportunities

The major Secret Service acquisitions summarized below are in the pre-proposal stage:

*a. Telecommunications Services (S-NET)*

The Secret Service is expected to recompile a contract for network services, maintenance and operation of the Secret Service's integrated data communications network.

*b. Data Center Facilities Management*

INPUT expects the Secret Service to recompile its requirement for facilities management at its Data Center.

## Top Contractors and Contracts

A list of the top IT contractors with the Secret Service is provided in Exhibit 4. This data is based on contract actions filed with the Federal Procurement Data Center at GSA. Some of the major IT contracts at the Secret Service are listed in Exhibit 5.

Exhibit 4

### Top Contractors at the Secret Service 4QFY94–3QFY95

1. Motorola, Inc.
2. Viatech Systems, Inc.
3. Digital Equipment Corporation
4. Sprint Communications
5. GE American Communications
6. McBride & Associates, Inc.
7. Kajax Engineering, Inc.
8. Edge Systems, Inc.
9. DC Information Systems, Inc.
10. Dynamix Corporation

*Source: Federal Procurement Data Center*

Exhibit 5

### Major Contracts at the Secret Service

<u>Program</u>	<u>Type</u>	<u>Size</u>	<u>Description</u>
1. Telecommunications Services (S-NET)	Network Services	\$56M 3 yrs.	Sprint Government Systems provides network services, maintenance and operations of the Secret Service integrated data communications network.  Awarded in May 1995.
2. Data Center Facilities Management	Facilities Management	\$23M 5 yrs.	Advanced Management, Inc. provides facilities management services, software and hardware maintenance, and software leasing to the Secret Service Data Centers.  Awarded in September 1994.

*Source: INPUT*

## Issues at the Secret Service

1. In 1994, Congress gave the Secret Service jurisdiction over cellular phone fraud. Since that time the Secret Service has made several hundred arrests. Secret Service Director Bowron addressed the issue by stating, "The criminal element in the U.S. and internationally is becoming more technologically advanced. It is critical for law enforcement to keep up."

2. The Secret Service completed a five-year software modernization program in FY92 which reengineered all of the agency's major mainframe applications. This was accomplished in part by establishing a corporate database philosophy for the agency's application environment which has proved successful in systems dealing with Secret Service resource and organization data, and centralized index files for case, subject and other descriptive data. The Secret Service has also begun using a distributed processing environment for applications involving inventory, passport data and images.

3. According to the Secret Service's strategic assessment of information resources management for the remainder of the 1990s, the agency expects to make use of technologies including: distributed and cooperative processing environments, local area networks, common user access and graphical user interfaces, Structured Query Language, workstation/local area network client/server databases, image and document management databases and multimedia.

4. The Secret Service is dependent on voice communications to support its protective and investigative missions. The agency was designated the Treasury Executive Agent for

wireless communications and radio programs. As such the Secret Service intends to convert existing Treasury radio programs to narrow band technology.

5. The Secret Service has developed a new Information Systems Security Program designed to address the security challenges posed by the growing use of new technologies such as client/server systems, local area networks, wireless information systems and portable personal computers. A newly organized information systems security staff will consolidate independent security functions into one integrated security program. The security staff will also implement baseline security controls for all information systems located in trusted information environments, for coordinating security awareness training and for the management of a computer emergency response team.

## Agency Information On-Line

Some information about the Secret Service is available through the Department of the Treasury World Wide Web site at "<http://www.ustreas.gov>". However, the only agency-specific information is a mission statement and a biography of the Director.



## Major Points of Contact

### Director

Eljay B. Bowron  
1800 G Street, NW  
Washington, DC 20223  
(202) 435-5700

### Chief, Information Resources

#### Management Division

Patrick Schambach  
(202) 435-5729

### Procurement Division

Nancy Nifon-Kerlin  
(202) 435-6940

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(202) 435-5708

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This Agency Profile is issued as part of INPUT's Federal IT Market Analysis Program. If you have questions or comments on this profile, please call your local INPUT organization or Otto Doll at INPUT, 1921 Gallows Road, Suite 250, Vienna, VA 22182-3900. Tel. (703) 847-6870.

# Agency Profile

A Publication from INPUT's Federal IT Market Analysis Program

Vol. II, No. 4

February 1996

## United States Customs Service

### Purpose

The United States Customs Service (USCS) collects the revenue from imports and enforces customs and related laws. The Customs Service also administers the Tariff Act of 1930, as amended (19 U.S.C. 1654), and other customs laws.

As the principal border enforcement agency, the mission of the Customs Service has been extended over the years to include assisting in the administration and enforcement of some 400 provisions of law on behalf of more than 40 government agencies.

In addition, the Customs Service enforces a wide range of requirements to protect the public, such as auto safety and emission control standards, radiation and radioactive material standards, counterfeit monetary instruments, flammable fabric restrictions, animal and plant quarantine requirements, and food, drug, and hazardous substance prohibitions.

### Organization

The fifth act of the first Congress, passed on July 31, 1789 (1 Stat. 29), established customs districts and authorized customs officers to collect duties on goods, wares and merchandise imposed by the second act of the

first Congress, dated July 4, 1789 (1 Stat. 24). The Bureau of Customs was established as a separate agency under the Treasury Department on March 3, 1927 (19 U.S.C. 2071) and, effective August 1, 1973, was redesignated the United States Customs Service by Treasury Department Order 165-23 of April 4, 1973.

The Customs Service is currently directed by Commissioner George J. Weise. The Commissioner reports to the Under Secretary for Enforcement of the Treasury. The agency is headquartered in Washington, DC, but maintains 44 subordinate district or area offices under which there are approximately 240 ports of entry. The Customs Service currently employs a workforce of approximately 17,000 full-time equivalent positions.

The organizational structure of the Customs Service is presented in Exhibit 1.

### Program Activities

Below are the primary organizations within the Customs Service:

#### *a. Office of the Commissioner*

The Office of the Commissioner is responsible for the overall management and direction of the Customs Service.

Exhibit 1

## Agency Organization

Secretary of the Treasury  
Under Secretary for Enforcement

Commissioner  
Deputy Commissioner

- Investigations
- Field Operations
- Strategic Trade
- Chief Counsel
- Regulations and Rulings
- Chief Financial Office
- Internal Affairs
- Information and Technology
- Human Resources

Source: Carroll Publishing 1995

### *b. Office of Investigations*

The Office of Investigations is responsible for the investigations and intelligence core sub-processes, with oversight of the foreign investigative offices and other offices.

### *c. Office of Field Operations*

The Office of Field Operations is responsible for the cargo, outbound and passenger core processes, oversight of field operations of the Customs Management Centers, Ports of Entry and field laboratories.

### *d. Office of Strategic Trade*

The Office of Strategic Trade is responsible for the strategic trade process and shares responsibility for the informed compliance process. This office will take the lead in developing the strategies for assessing the level of trade compliance, providing policy leadership for achieving improved informed compliance, and for publication of Customs Service compliance data.

### *e. Office of Regulations and Rulings*

This office is responsible for issuing rulings on issues of admissibility of merchandise, issuing regulations, and performing a regulations review and quality assurance role.

### *f. Office of Finance*

This office is headed by the Chief Financial Officer and is responsible for administering the broad range of financial management activities delineated under the Chief Financial Officers Act including accounting, budgeting, procurement, logistics and internal controls.

### *g. Office of Internal Affairs*

The Office of Internal Affairs is responsible for ensuring compliance with all agency-wide programs and policies relating to security activities, and for executing the internal security programs and management inspections.

### *h. Office of Information and Technology*

This office is headed by the Chief Information Officer and is responsible for information technology, research and development functions, and for developing coordinated strategies for meeting mission-related needs.

### *i. Office of Human Resources*

This office is responsible for human resources planning in support of the business process improvement efforts, personnel services, training, labor management relations and worker safety.



## Program Budget

The program budget for the Customs Service is expected to experience growth in most areas. Unfortunately, the Customs Service does not break down their Salaries and Expenses category into more detailed subcategories. As a result it is not possible to

provide a more detailed funding analysis of Customs Service programs.

The program budget for the Customs Service is presented in Exhibit 2.

Exhibit 2

### Program Budget of the U.S. Customs Service

Program Activity	FY94 (actual)	FY95 (estimate)	FY96 (estimate)	FY97 (estimate)
Salaries and Expenses	1,621	1,762	1,758	1,728
Miscellaneous Permanent Appropriations	165	178	188	194
Operation and Maintenance, Air Interdiction Program	48	88	61	63
Operations and Maintenance, P-3 Drug Interdiction Program	28	N/A	N/A	N/A
Air and Marine Interdiction Programs	21	N/A	N/A	N/A

All figures in \$ Millions

Source: Budget of the United States Government FY1996, February 8, 1995

## Information Technology Budget

The Customs Service overall IT budget is expected to experience a slight decline in the next few years. Contrary to this trend is the strong growth forecasted for the software segment of the IT budget. The support services segment of the IT budget is not expected to experience significant growth but nonetheless accounts for almost 50% of the total Customs Service IT budget.

Another significant point is that the Contracted Out portion of the Customs Service IT budget accounts for approximately 80% of the total, indicating a heavy reliance on outside contractors for fulfillment of the agency's IT requirements.

The compound annual growth rate (CAGR) for the Customs Service's total IT spending over the period shown is -1%. The information technology budget of the Customs Service is provided in Exhibit 3.

Exhibit 3

### Information Technology Budget of the U.S. Customs Service

Category	1995	1996	1997	1998	1999	2000	CAGR 1995- 2000
<b>Equipment:</b>							
Capital Purchases	\$20,333	\$14,210	\$15,134	\$15,890	\$16,685	\$17,769	-3%
Other Purchases and Leases	19,843	6,505	6,928	7,724	7,638	8,134	-16%
<b>Total Equipment</b>	<b>40,176</b>	<b>20,715</b>	<b>22,061</b>	<b>23,165</b>	<b>24,323</b>	<b>25,904</b>	<b>-8%</b>
<b>Software:</b>							
Capital Purchases	9,747	13,624	14,441	15,308	16,226	17,362	12%
Other Purchases and Leases	978	978	1,046	1,109	1,176	1,258	5%
<b>Total Software</b>	<b>10,725</b>	<b>14,602</b>	<b>15,488</b>	<b>16,417</b>	<b>17,402</b>	<b>18,620</b>	<b>12%</b>
<b>Services (Processing and Telecom.)</b>	<b>590</b>	<b>590</b>	<b>625</b>	<b>657</b>	<b>690</b>	<b>731</b>	<b>4%</b>
<b>Support Services</b>	<b>55,648</b>	<b>45,063</b>	<b>49,119</b>	<b>52,557</b>	<b>55,973</b>	<b>59,891</b>	<b>1%</b>
<b>Supplies</b>	<b>981</b>	<b>811</b>	<b>852</b>	<b>894</b>	<b>930</b>	<b>976</b>	<b>0%</b>
<b>Personnel</b>	<b>27,890</b>	<b>27,890</b>	<b>26,914</b>	<b>25,972</b>	<b>25,063</b>	<b>24,186</b>	<b>-3%</b>
<b>Contracted Out Portion of IT Budget</b>	<b>107,139</b>	<b>80,970</b>	<b>87,293</b>	<b>92,795</b>	<b>98,388</b>	<b>105,146</b>	<b>0%</b>
<b>Total IT Budget</b>	<b>136,010</b>	<b>109,671</b>	<b>115,059</b>	<b>119,661</b>	<b>124,380</b>	<b>130,308</b>	<b>-1%</b>

All figures in \$ Thousands

Source: U.S. Customs Service and INPUT

## IT Contract Opportunities

The major agency acquisitions summarized below are in the pre-proposal stage:

### a. PC Cash Register System

This procurement is for the acquisition of equipment and services to automate the Customs Service Cash Receipt/Informal Entry Form collection process.

### b. INC Document Reader

The Customs Service has a requirement for Immigration and Naturalization Card (INC) readers with the capability of performing optical character recognition for a variety of machine readable travel documents.

### c. Video Conferencing Network

The Customs Service intends to acquire a Video Conferencing Network capable of providing interactive face-to-face communications at various locations nationwide.

### d. General Purpose ADP Equipment - Mainframe

The Customs Service has a requirement for one IBM-compatible mainframe computer to serve as an interim upgrade for its Springfield, VA data center.

*e. Data Center Mainframe Procurement*

The Customs Service intends to replace the current mainframe systems at its Springfield, VA data center. The current systems include two IBM and three Hitachi mainframes.

*f. Assets Information Management System*

The Customs Service has a requirement for software development services for its Assets Information Management System.

*g. Database Administration, Management and Support Services*

The Customs Service plans to acquire technical and integration services to assist in providing database administration, management and software support in mainframe and PC client/server environments.

## Top Contractors and Contracts

A list of the top IT contractors with the Customs Service is provided in Exhibit 4. This data is based on contract actions filed with the Federal Procurement Data Center at GSA.

Exhibit 4

### Top Contractors at the Customs Service 4QFY94–3QFY95

1. Viatech Systems, Inc.
2. Computer Sciences Corporation
3. Federal Computer Corporation
4. PSI International, Inc.
5. MAR, Inc.
6. Lamarian Systems, Inc.
7. ITS Corporation
8. Ellsworth Associates, Inc.
9. Allied Data Communications Group, Inc.
10. Horizon Data Corporation

Source: Federal Procurement Data Center



Exhibit 5

**Major Contracts at the U.S. Customs Service**

<u>Program</u>	<u>Type</u>	<u>Size</u>	<u>Description</u>
1. Treasury Enforcement Communications System (TECS II)	Network Services	\$11M 5 yrs.	KCM Computer Consulting, Inc. provides the network services to support the Treasury Enforcement Communications System including access to other commercial and enforcement systems and a database management system.  Awarded in June 1991.
2. Acquisition of Terminal Equipment, Installation and Maintenance	Hardware	\$20M 7 yrs.	Federal Computer Corporation provides the U.S. Customs Service with terminal equipment, installation and maintenance for system development and upgrades.  Awarded in January 1992.
3. Data Center Facilities Management Support Services	Facilities Management	\$33M 7 yrs.	Management Technology Incorporated provides facilities management and operations support services for Federal Information Processing resources at the Springfield, VA data center.  Awarded in March 1995.
4. Data Center Helpdesk	Professional Services	\$3M 4 yrs.	McFadden and Associates provides helpdesk support services at the Springfield, VA data center.  Awarded in August 1995.
5. Data Center Network Operations	Network Services	\$7M 3 yrs.	STI provides network operations support services to the Customs Services at its Springfield, VA data center.  Awarded in September 1995.
6. Data Center Systems Services	Professional Services	\$6M 5 yrs.	Q Systems, Inc. provides systems support services to the Customs Services at its Springfield, VA data center.  Awarded in August 1995.

Source: INPUT

## Issues at the U.S. Customs Service

The Customs Service has five objectives in its information management support strategy. These objectives will support the Customs Service's four primary areas of emphasis: trade enforcement and facilitation, narcotics interdiction, money laundering and financial enforcement, and outbound enforcement.

The first objective is to promote a global network that will link all members of the federal government, foreign governments and the travel/trade community which have a need to access Customs information. To satisfy this objective, the Customs Service is planning to support a worldwide campaign promoting international use of the United Nations EDIFACT standard message syntax for all systems.

The second objective is to promote the Customs Service as an automated clearinghouse for Customs-related information on trade enforcement and border interdiction, including serving as the central repository of trade, travel and enforcement data. By meeting this objective, the Customs Service and other agencies can benefit from a comprehensive quality database of information for analytical and operational activities, reductions in duplicative data gathering activities, and economies and efficiencies of shared resources.

The third objective is to implement the capture of advance information on imports, exports and international travelers in order to support selectivity and advance targeting applications while simultaneously facilitating the movement of non-suspect goods and travelers. Advance information

will maximize productivity by directing the Customs Service's limited resources to priorities and activities producing the greatest enforcement results.

The fourth objective is to evaluate and develop a standard, distributed technology environment which will enable users of the Customs Service automated clearinghouse to access and retrieve the information needed to support the Customs Service missions. Distributed processing technology provides greater flexibility for the end user, takes greater advantage of networking, contributes to improved data retrieval capabilities and processing times, and improves employee responsiveness to mission objectives and mandatory reporting requirements.

The fifth objective is to provide automation, technical and training support necessary for all Customs Service employees to perform their functions in the most efficient and effective manner. The resulting efficiencies will translate into better use of the taxpayer dollar and greater availability of resources to support mission critical activities which might otherwise have been forgone due to insufficient funding.

The Customs Service, like the rest of the federal government, will approach the twenty-first century learning to achieve more with fewer resources. Information technology will be the primary means to this end.

## Agency Information On-Line

Some information about the Customs Service is available through the Department of the Treasury World Wide Web site at "<http://www.ustreas.gov>". However, the only agency-specific information is a mission statement, biography of the Commissioner, and information about Customs Service Public Auctions.

## Major Points of Contact

### **Commissioner**

George J. Weise  
1301 Constitution Avenue, NW  
Washington, DC 20229  
202-927-1000

### **Assistant Commissioner for Information and Technology**

William F. Riley  
202-927-0800

### **Assistant Commissioner for Congressional and Public Affairs**

Jose R. Padilla  
202-927-1760

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# Agency Profile

A Publication from INPUT's Federal IT Market Analysis Program

Vol. II, No. 5

March 1996

## Department of Veterans Affairs

### Purpose

The Department of Veterans Affairs operates programs to benefit veterans and members of their families. Benefits include compensation payments for disabilities or death related to military service, pensions, education and rehabilitation, home loan guaranty, burial, and a medical care program incorporating nursing homes, clinics and medical centers.

### Organization

The Department of Veterans Affairs (VA) was established as an executive department by the Department of Veterans Affairs Act (38 U.S.C. 201 note). The Department's predecessor, the Veterans Administration, had been established as an independent agency under the President by Executive Order #5398 of July 21, 1930, in accordance with the Act of July 3, 1930 (46 Stat. 1016). This act authorized the President to consolidate and coordinate the U.S. Veterans Bureau, the Bureau of Pensions, and the National Home for Volunteer Soldiers.

The Department of Veterans Affairs comprises three organizations that administer veterans programs: the Veterans Health Administration, the Veterans Benefits Administration, and the National Cemetery

System. Each organization has field facilities and a Central Office component.

The Central Office includes separate offices that provide support to the top organizations' operations, as well as to top VA executives. Top Central Office managers, including the Inspector General and General Counsel, report to the highest level of Department management, which consists of the Secretary of Veterans Affairs and the Deputy Secretary. Five Assistant Secretaries provide policy guidance, operational support, and managerial oversight to the Secretary and Deputy Secretary, the administrations, and other top offices. They include the Assistant Secretaries of Finance and Information Resources Management, Policy and Planning, Human Resources and Administration, Public and Intergovernmental Affairs, and Congressional Affairs.

The VA is currently directed by Secretary Jesse Brown and employs approximately 223,000 people, making it the largest federal civilian department. However, due to federal downsizing, the VA is expected to cut 10,000 jobs from its payroll during fiscal year 1997. The organizational structure of the Department of Veterans Affairs is presented in Exhibit 1.

## Exhibit 1

**Agency Organization**

Secretary

Deputy Secretary

- Veterans Benefits Administration
- Veterans Health Administration
- National Cemetery Systems
- Inspector General
- General Counsel
- Board of Veterans Appeals
- Board of Contract Appeals
- Management
- Human Resources and Administration
- Congressional Affairs
- Public and Intergovernmental Affairs
- Small and Disadvantaged Business Utilization
- Policy and Planning

*Source: Carroll Publishing 1996***Program Activities**

Below are the primary organizations within the Department of Veterans Affairs:

*a. Veterans Health Administration*

The Veterans Health Administration (VHA), formerly the Veterans Health Services and Research Administration, provides hospital, nursing home and domiciliary care, and outpatient medical and dental care to eligible veterans of military service in the Armed Forces.

The VHA operates 171 medical centers, 35 domiciliaries, 340 outpatient clinics, 127 nursing home care units and 196 Vietnam Veteran Outreach Centers in the United States, the Commonwealth of Puerto Rico and the Republic of the Philippines, and provides for similar care under VA auspices in non-VA hospitals and community nursing homes in addition to visits by veterans to non-VA

physicians and dentists for outpatient treatment. VHA also supports veterans under care in hospitals, nursing homes and domiciliaries operated by 35 States.

Under the Civilian Health and Medical Program, dependents of certain veterans are provided with medical care supplied by non-VA institutions and physicians. The Administration conducts both individual medical and health-care delivery research projects and multi-hospital research programs. The VHA assists in the education of physicians and dentists, and with training of many other health care professionals through affiliations with educational institutions and organizations.

*b. Veterans Benefits Administration*

The Veterans Benefits Administration (VBA), formerly the Department of Veterans Benefits, conducts an integrated program of veterans benefits including compensation and pensions, education, vocational rehabilitation, loan guarantees and insurance. The VBA also directs the Veterans Assistance Service which provides information, advice and assistance to veterans, their dependents and beneficiaries, representatives and others in applying for benefits administered by the Department of Veterans Affairs.

*c. National Cemetery System*

The National Cemetery System (NCS) provides services to veterans, reservists and National Guard members with 20 years of qualifying service and their families by operating national cemeteries. The NCS will furnish headstones and markers for the graves of qualifying U.S. veterans, reservists and National Guard members, award grants to aid states in developing, improving and expanding veterans cemeteries, and serves as the operations element for the Presidential Memorial Certificate Program.



## Program Budget

The Department of Veterans Affairs is expecting slow growth in most of its programs. The exceptions to this trend are general operating expenses and construction which are expected to decline. This can be largely attributed to the overall federal trend towards downsizing.

The program budget for the Department of Veterans Affairs is presented in Exhibit 2.

Exhibit 2

### Program Budget of the Department of Veterans Affairs

Program Activity	FY95 (actual)	FY96 (estimate)	FY97 (estimate)
Veterans Health Administration	16,589	17,230	17,449
Veterans Benefits Administration	19,546	19,810	20,453
National Cemetery System	73	73	77
General Operating Expenses	896	848	844
Construction	544	436	480
Office of the Inspector General	32	31	31

All figures in \$ Millions

Source: Budget of the United States Government FY1997, March 18, 1996

## Information Technology Budget

Based on the Department of Veterans Affairs FY97 response to OMB Circular A-11, the compound annual growth rate (CAGR) for the VA total IT spending over the period shown is 2%. Unfortunately, most federal agencies have yet to release their A-11 budget submissions. As a result, INPUT has not been able to prepare a budget forecast model for FY97, and consequently, the compound annual growth rate reflects only two years of budget data.

However, the data presented indicates an emphasis on hardware purchases and personnel. The data also suggests an increasing emphasis on processing and telecommunications services, as well as an increasing portion of the total IT budget being contracted out. The information technology spending at the Department of Veterans Affairs is provided in Exhibit 3.

A breakout of the VA information technology budget by agency is provided in Exhibit 4. Please note that the total figures in Exhibit 4 do not match the total figures in Exhibit 3 because intra-governmental transfers are not accounted for in Exhibit 3.



Exhibit 3

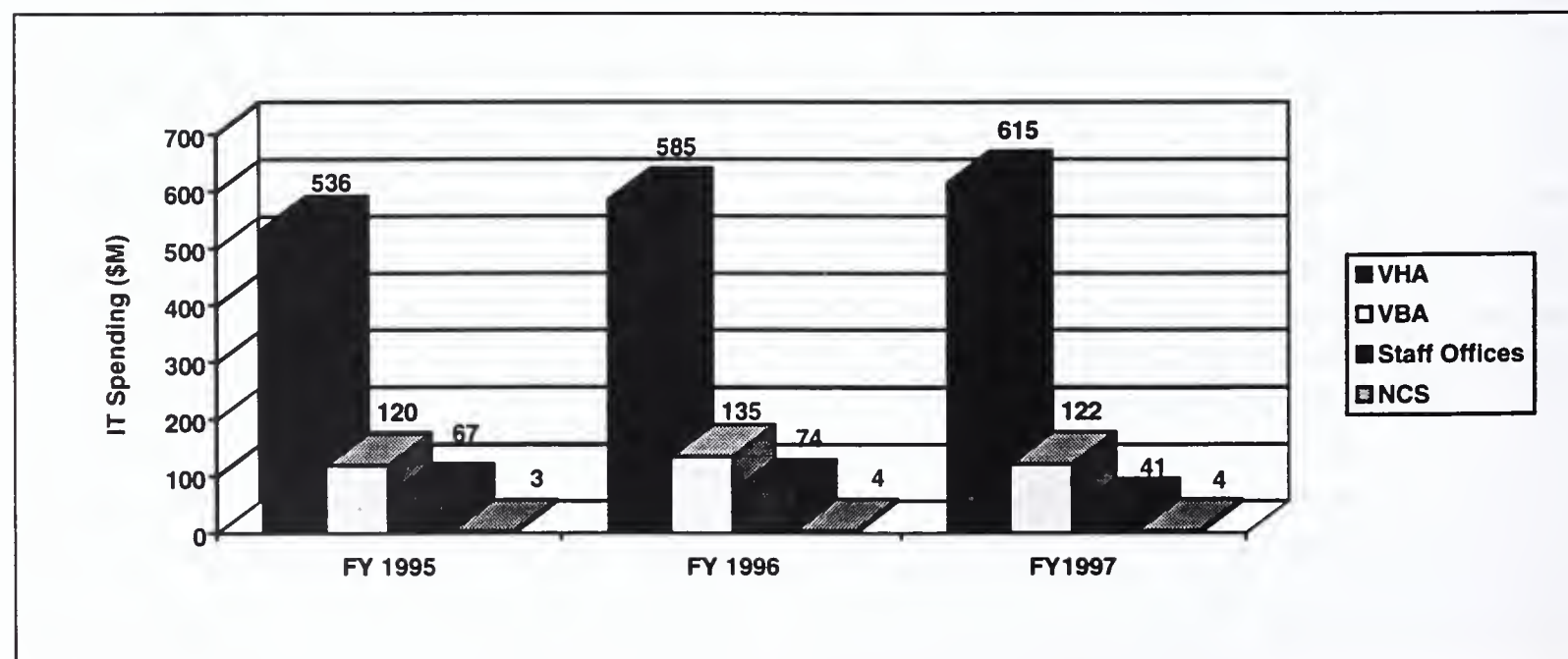
**Information Technology Budget of the Department of Veterans Affairs**

Category	1995 (actual)	1996 (estimate)	1997 (estimate)	CAGR 1995-1997
<b>Equipment:</b>				
Capital Purchases	\$188	\$246	\$219	8%
Other Purchases and Leases	1	1	1	0%
<b>Total Equipment</b>	<b>189</b>	<b>247</b>	<b>220</b>	<b>8%</b>
<b>Software:</b>				
Capital Purchases	8	13	9	6%
Other Purchases and Leases	22	18	19	-7%
<b>Total Software</b>	<b>30</b>	<b>31</b>	<b>28</b>	<b>-3%</b>
<b>Services (Processing and Telecom.)</b>	<b>81</b>	<b>90</b>	<b>102</b>	<b>12%</b>
<b>Support Services</b>	<b>83</b>	<b>90</b>	<b>76</b>	<b>-4%</b>
<b>Supplies</b>	<b>30</b>	<b>25</b>	<b>25</b>	<b>-9%</b>
<b>Personnel</b>	<b>269</b>	<b>276</b>	<b>261</b>	<b>-1%</b>
<b>Contracted Out Portion of IT Budget</b>	<b>458</b>	<b>522</b>	<b>521</b>	<b>7%</b>
<b>Total IT Budget</b>	<b>682</b>	<b>759</b>	<b>712</b>	<b>2%</b>

All figures in \$ Millions

Source: Department of Veterans Affairs and INPUT

Exhibit 4

**Information Technology Spending by Agency**


Source: Department of Veterans Affairs

## IT Contract Opportunities

The major departmental acquisitions summarized below are in the pre-proposal stage:

*a. Decentralized Hospital Computer Program (DHCP)*

This procurement will provide computer support through standardized software and hardware at each Veterans Affairs medical center.

*b. Veterans Automated Assistance Teleservice (VAATS)*

This procurement will provide the department with a telephone system that will improve the delivery of benefits and services to veterans.

*c. Patient ID Card Production System*

The Department of Veterans Affairs intends to acquire hardware and software to serve as a patient ID card production system.

*d. Global PC Maintenance Contract*

The department has a requirement for global PC maintenance to support the VBA Modernization Stage 1 equipment installed in FY95.

*e. Procurement of Computer Hardware and Software (PCHS)*

The Department of Veterans Affairs intends to recompile the commodities portion of the Nationwide Office Automation for Veterans Affairs (NOAVA) contract providing hardware and software.

*f. Procurement of Automated Information Resources Solutions (PAIRS)*

The Department of Veterans Affairs intends to recompile the solutions portion of the NOAVA contract providing technology integration, interoperability, infrastructure solutions and maintenance.

*g. Commercial Computer Services*

The Department of Veterans Affairs intends to acquire national electronic data interchange (EDI) services.

## Top Contractors and Contracts

A list of the top IT contractors with the Department of Veterans Affairs is provided in Exhibit 4. This data is based on contract actions filed with the Federal Procurement Data Center at GSA. Some of the major awarded IT contracts are listed in Exhibit 5.

Exhibit 4

### Top Contractors at the Department of Veterans Affairs

**4QFY94–3QFY95**

1. Digital Equipment Corporation
2. Lockheed Martin
3. Federal Data Corporation
4. SAIC
5. American Management Systems
6. Wang
7. Andersen Consulting
8. General Analytics Corporation
9. Transition Systems, Inc.
10. Unisys Corporation

Source: Federal Procurement Data Center

Exhibit 5

## Major Contracts at the Department of Veterans Affairs

<u>Program</u>	<u>Type</u>	<u>Size</u>	<u>Description</u>
1. Integrated Data Communications Utility (IDCU)	Network Services	\$84M 10 yrs.	SAIC provides a packet network with a limited point-to-point dedicated data communications capacity to serve the principal data communications needs of the Department of Veterans Affairs.  Awarded in June 1989.
2. Nationwide Office Automation for Veterans Affairs (NOAVA)	Systems Integration	\$153M 10 yrs.	Lockheed Martin provides hardware and software for the integration of existing systems for more than 600 Veterans Affairs locations nationwide.  Awarded in January 1991.
3. Mainframe Systems Replacement Project	Hardware/Software	\$43M 10 yrs.	Federal Data Systems Corporation provides hardware and software for the upgrade and replacement of the Veterans Affairs Data Processing Center located in Austin, Texas.  Awarded in October 1991.
4. Document Management System (DMS)	Hardware/Software	\$4M 5 yrs.	Doxsys, Inc. provides hardware and software for a Document Management System designed to capture, control, correlate, display, manipulate, queue, produce, retrieve, route, and store information primarily in the form of documented pages.  Awarded in August 1993.
5. Decision Support System (DSS)	Hardware/Software	\$132M 5 yrs.	Transition Systems, Inc. provides commercial off-the-shelf software for a Decision Support System which combines clinical and financial data to help VA hospitals assess the cost-effectiveness of health care delivery services.  Awarded in September 1993.
6. Management Studies and Analyses	Professional Services	\$53M 5 yrs.	Eight contractors provide management studies and analyses to support the Department of Veterans Affairs' business process reengineering efforts.  Awarded in July 1995.
7. Payroll/Human Resource System (PAY VA)	Hardware/Software	\$3M 3 yrs.	High Technology Solutions, Inc. provides commercial off-the-shelf (COTS) software to upgrade the Department of Veterans Affairs payroll and human resources system.  Awarded in September 1995.

Source: INPUT



## Issues at the Department of Veterans Affairs

1. The most gripping current issue at the Department of Veterans Affairs is the FY97 budget. The proposed FY97 budget will require the VA to reduce its workforce by 10,000 people in that year alone. At its current 223,000 full-time equivalent employees, the VA is the government's largest civilian department and has thus far managed to resist the overall federal trend toward downsizing.

However, the proposed FY97 budget has forced the VA to face the inevitable and initiate a program of restructuring to downsize the department. Although no specific plans are in place for closing any VA hospitals, those options will be evaluated for the possibility of removing duplicative services in any particular area. Even with the possibility of facility closings, the department will be expected to maintain its service to the nation's veterans in the most efficient and effective way achievable.

2. Even under the shadow of downsizing and budget cuts, the Department of Veterans Affairs is committed to the Veterans Benefits Administration Modernization Program. Phase I and Phase II of the program have been awarded. Phase I, involving the delivery of client-server systems to VA field offices, has already been completed. Phase II requires testing of pilot imaging applications.

However, Phase III of the program, which calls for additional replacements of aging mainframe equipment and applications, has not yet been finalized. While it is expected

to be pursued at some point, Phase III will probably be somewhat less ambitious than originally expected. Continued budget cuts will no doubt have an effect on Phase III and the other elements of the VBA Modernization Program, but VA officials have indicated that this program is their highest priority.

3. A \$132 million contract held by Transition Systems, Inc. for a Decision Support System (DSS) was the subject of General Accounting Office (GAO) criticism recently. The system is expected to provide VA hospitals with the clinical and financial data they need to assess the cost-effectiveness of their health care delivery systems. This data will be drawn from existing systems which track hospital personnel and service expenses.

The GAO, in an examination of the DSS, expressed concern that the data being provided was inaccurate and inconsistent. Poor data could potentially lead VA officials to make poor decisions about their health care delivery systems. The GAO also recommended the development of a business plan for the DSS to help VA officials focus on delivering the best health care at the lowest cost. The Department of Veterans Affairs has accepted the GAO's recommendations and expects to incorporate them before the DSS is fully implemented in December 1997.

## On-Line Information Resources

The Department of Veterans Affairs maintains a World Wide Web site at "http://www.va.gov". This site provides access to organizational information, press releases and many other departmental documents. However, the site's primary focus is on the VA's customers—U.S. veterans. For veterans, the site provides complete information on VA programs and benefits, as well as information on how to receive benefits.

For potential vendors to the Department of Veterans Affairs, some information about VA business opportunities is available, but only after a certain amount of searching. A much better source for business information is the VA Vendor Bulletin Board System. This BBS is accessible at (202) 565-6971 and (800) SELL-2-VA. The information available on this BBS involves a host of acronyms including RFPs, RFCs, RFQs, APRs, DPAs, and CBDs. In addition, strategic plans and small business forecasts are ready for download.

## Major Points of Contact

### **Secretary**

Jesse Brown  
810 I Street, NW  
Washington, DC 20006  
202-273-4800

### **Deputy Assistant Secretary for Information Resources Management**

Nada Harris  
202-565-8554

### **Assistant Secretary for Public and Intergovernmental Affairs**

Kathy Elena Jurado  
202-273-5750

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This Agency Profile is issued as part of INPUT's Federal IT Market Analysis Program. If you have questions or comments on this profile, please call your local INPUT organization or Otto Doll at INPUT, 1921 Gallows Road, Suite 250, Vienna, VA 22182-3900. Tel. (703) 847-6870.

# Agency Profile

A Publication from INPUT's Federal IT Market Analysis Program

Vol. II, No. 6

March 1996

## Department of Energy

### Purpose

The Department of Energy, in partnership with its customers, is entrusted to contribute to the welfare of the nation by providing the technical information and scientific and educational foundation for technology, policy, and institutional leadership necessary to achieve efficiency in energy use, diversity in energy sources, a more productive and competitive economy, improved environmental quality, and a secure national defense.

### Organization

The Department of Energy (DOE) was established by the Department of Energy Organization Act (42 U.S.C. 7131), effective October 1, 1977, pursuant to Executive Order #12009 of September 13, 1977.

The Act consolidated the major federal energy functions into one Cabinet-level department, transferring to DOE all the responsibilities of the Energy Research and Development Administration, the Federal Energy Administration, the Federal Power Commission, and the Alaska, Bonneville, Southeastern and Southwestern Power Administrations, formerly components of the Department of the Interior, as well as the power-marketing functions of the Department of the Interior's Bureau of Reclamation. Also

transferred to DOE were certain functions of the Interstate Commerce Commission and the Departments of Commerce, Housing and Urban Development, the Navy, and the Interior.

The Department of Energy is currently directed by Secretary Hazel O'Leary and, as of January 1996, employed approximately 12,800 people. This level of employment is down from approximately 13,700 employees in July 1995. This drastic reduction in departmental staff is due to an aggressive program of reorganization and downsizing initiated on May 3, 1995 by Secretary O'Leary. This program plans to reduce the departmental workforce to less than 11,000 by fiscal year 1999.

The Department is headquartered in Washington, DC but maintains eight operations offices and five Power Administrations across the country, as well as laboratories and numerous minor field offices. However, in addition to workforce reductions, Secretary O'Leary's downsizing plan also calls for office closures to save departmental overhead costs.

The organizational structure of the Department of Energy is presented in Exhibit 1.



## Exhibit 1

**Agency Organization**

Secretary

Deputy Secretary

- Policy
- Inspector General
- General Counsel
- Advisory Committees
- Environment, Safety and Health
- Human Resources and Administration
- Energy Programs
- Office of the Under Secretary
- Field Management
- Chief Financial Officer
- Congressional, Public and Intergovernmental Affairs
- Federal Energy Regulatory Commission
- Hearings and Appeals
- Economic Impact and Diversity
- Quality Management

Source: INPUT and Carroll Publishing, 1995

**Program Activities**

Below are the primary organizations and functions within the Department of Energy:

*a. Office of the Secretary*

The Secretary, as Chief Executive Officer, provides the overall vision, programmatic leadership, management direction, and administration of the Department. The principal offices serving the Secretary include the Deputy Secretary, Under Secretary, General Counsel, Inspector General, Chief Financial Officer, and the Assistant Secretaries.

*b. Field Management*

The Associate Deputy Secretary for Field Management provides centralized responsibility for strategic planning, management coordination, and oversight of

the Department's field operations in general; and specifically for executing programs and projects accomplished through the Department's eight operations offices. This office is also responsible for establishing and managing procedures for receiving, tracking, and conducting investigations related to "whistleblower" reprisal complaints, as well as preparing cases for adjudication and establishing procedures for processing appeals to the Secretary of Energy.

*c. Policy*

The Assistant Secretary for Policy formulates, recommends, and manages national and international policy development, strategic plans, and integration of departmental policy, program and budget goals. Energy policies are analyzed to ensure their contribution to the national energy strategy and the Department's goals and objectives, as well as conformity with national goals, legislation, and treaty obligations. The Office of Policy also coordinates cooperative international energy programs with foreign governments and international organizations, such as the International Energy Agency and the International Atomic Energy Agency. In addition, the Office develops and tests energy emergency plans, and analyzes departmental energy emergency capabilities and vulnerabilities.

*d. Environment, Safety and Health*

The Assistant Secretary for Environment, Safety and Health provides independent oversight of departmental execution of environmental, occupational safety and health, nuclear/non-nuclear safety and security laws, regulations, and policies, and ensures that departmental programs are in compliance with environmental, health, and nuclear/nonnuclear safety protection plans, regulations and procedures. The Office of Environment Safety and Health also provides an independent overview and assessment of

Department-controlled activities to ensure that safety-impacted programs receive management review, and carries out the legal functions of the nuclear safety civil penalty and criminal referral activities mandated by the Price-Anderson Amendments Act.

*e. Hearings and Appeals*

The Office of Hearings and Appeals reviews and issues all final DOE orders of an adjudicatory nature, other than those involving matters over which the Federal Energy Regulatory Commission exercises final jurisdiction. The Office is responsible for considering and issuing decisions on appeals from orders of a regulatory nature issued by DOE components and requests for exception or exemption from any regulatory or mandatory requirements.

*f. Economic Impact and Diversity*

The Office of Economic Impact and Diversity advises the Secretary on the effects of energy policies, regulations, and other actions of the Department and its components on minorities, minority business enterprises and minority educational institutions, and on ways to ensure that minorities are afforded an opportunity to participate in energy programs of the Department.

*g. Quality Management*

This Office assists and supports Department of Energy executives and managers in their charge to implement the principles and culture of quality management within the Department. Through Total Quality Management, the Office supports the implementation of performance measures throughout the Department.

*h. General Counsel*

The General Counsel provides legal support and counseling for all departmental activities except for the Federal Energy Regulatory Commission.

*i. Inspector General*

The Office of the Inspector General coordinates, supervises and conducts inspections, investigations and audits of all departmental activities, including those of the Federal Energy Regulatory Commission, to ensure honesty and efficiency. The Office also recommends corrective actions, and identifies and refers prosecution participants in fraud and abuse cases.

*j. Chief Financial Officer*

The Chief Financial Officer ensures the financial integrity of the Department by developing and implementing the appropriate policies and procedures to provide control and assistance for the effective management of the Department's financial resources.

*k. Congressional, Public and Intergovernmental Affairs*

The Assistant Secretary for Congressional, Public and Intergovernmental Affairs establishes policies and procedures for the conduct of relations with Congress, and serves as the principal departmental point of contact for Congress. The Office also manages press services, public affairs and public information activities, in addition to providing policy direction for oversight of the consumer and public liaison activities of the Department.

*l. Energy Efficiency and Renewable Energy*

The Assistant Secretary for Energy Efficiency and Renewable Energy is responsible for formulating and directing programs designed to increase the production and utilization of renewable energy (solar, biomass, wind, geothermal, alcohol fuels, etc.) and improving the energy efficiency of transportation, buildings, industrial systems and related processes through support of long-term, high-risk research and development activities.



*m. Fossil Energy*

The Assistant Secretary for Fossil Energy is responsible for research and development programs involving fossil fuels (coal, petroleum and gas). The fossil energy program involves applied research, exploratory development, and limited proof-of-concept testing targeted to high-risk and high-payoff endeavors. The objective of the program is to provide the general technology and knowledge base that the private sector can use to complete development and initiate commercialization of advanced processes and energy systems. The Assistant Secretary also manages the Clean Coal Technology Program, the Strategic Petroleum Reserve, the Naval Petroleum and Oil Shale Reserves, and the Liquefied Gaseous Fuels Spill Test Facility.

*n. Energy Information Administration*

The Energy Information Administration is responsible for the timely and accurate collection, processing, and publication of data in the areas of energy resource reserves, energy production, demand, consumption, distribution and technology.

*o. Civilian Radioactive Waste Management*

The Office of Civilian Radioactive Waste Management has responsibility for the Nuclear Waste Fund and for the management of federal programs for recommending, constructing, and operating repositories for disposal of high-level radioactive waste and spent nuclear fuel. The Office also supervises interim storage of spent nuclear fuel, monitored retrievable storage, and research, development and demonstration regarding disposal of high-level radioactive waste and spent nuclear fuel.

*p. Defense Programs*

The Assistant Secretary for Defense Programs directs the nation's nuclear weapons research, development, testing, production and surveillance program, as well as the production of the special nuclear materials

used by the weapons program within the Department, and management of defense nuclear waste and byproducts.

*q. Environmental Management*

The Office of Environmental Management provides program policy guidance and manages the assessment and cleanup of inactive waste sites and facilities, continues safe and effective waste management operations, and develops and implements an aggressively applied waste research and development program to provide innovative environmental technologies that yield permanent disposal solutions at reduced costs. The Office also provides centralized management for the Department for waste management operations, environmental restoration, and applied research and development programs and activities, including environmental restoration and waste management program policy and guidance to DOE field offices in these areas.

*r. Nonproliferation and National Security*

The Office of Nonproliferation and National Security ensures that intelligence information requirements of the Secretary and senior departmental policymakers are met and that the Department's technical, analytical, and research expertise is made available to the intelligence community. The Office also directs the development of the Department's policy, plans, and procedures relating to arms control, nonproliferation, export controls and safeguard activities.

*s. Fissile Materials Disposition*

The Office of Fissile Materials Disposition reports to the Under Secretary and is responsible for all activities of the Department relating to the management, storage, and disposition of fissile materials from weapons and weapon systems that are excess to national security needs of the United States.



*t. Energy Research*

The Office of Energy Research advises the Secretary on the physical and energy research and development programs of the Department, and financial assistance and budgetary priorities for these activities.

*u. Nuclear Energy, Science and Technology*

The Office of Nuclear Energy, Science and Technology administers the Department's research and development programs associated with fission energy.

*v. Science Education and Technical Information*

The Office of Science Education and Technical Information provides centralized responsibility for developing and implementing departmental policy for university and science education programs, and manages coordination and oversight of the collection and dissemination of information resulting from the Department's research and development activities.

*w. Federal Energy Regulatory Commission*

An independent, five-member commission within the Department of Energy, the Federal Energy Regulatory Commission is responsible for setting rates and charges for the transportation and sale of natural gas, as well as for the transmission and sale of electricity and the licensing of hydroelectric power projects. In addition, the Commission establishes rates or charges for the transportation of oil by pipeline and the valuation of such pipelines.

*x. Operations Offices*

DOE Operations Offices provide a formal link between Department headquarters and the field laboratories and other operating facilities. They also manage programs and projects as assigned from headquarters. Routine management guidance, coordination, and oversight of the operations offices is provided by the Office of the Associate Deputy Secretary for Field Management.

*y. Power Administrations*

The marketing and transmission of electric power produced at federal hydroelectric projects and reservoirs is carried out by the Department's five Power Administrations. Management oversight of the Power Administrations is the responsibility of the Deputy Secretary.

## Program Budget

With only a few exceptions, the Department of Energy's program budget will be declining for the next several years. This is especially true of the departmental administration budget which is facing a cut of greater than 50% by FY97.

The program budget for the Department of Energy is presented in Exhibit 2.

Exhibit 2

### Program Budget of the Department of Energy

Program Activity	FY95 (actual)	FY96 (estimate)	FY97 (estimate)
General Science and Research Activities	969	981	1,009
Energy Supply, R&D Activities	3,346	2,727	3,020
Uranium Supply and Enrichment Activities	73	29	28
Fossil Energy Research and Development	417	416	349
Naval Petroleum and Oil Shale Reserves	187	149	150
Energy Conservation	715	613	715
Strategic Petroleum Reserve	244	287	221
Energy Information Administration	85	65	66
Economic Regulation	12	6	3
Nuclear Waste Disposal Fund	393	152	200
Uranium Enrichment Decontamination and Decommissioning Fund	301	279	240
Power Marketing Administration	44	264	273
Departmental Administration	266	245	120
Office of the Inspector General	26	25	30

All figures in \$ Millions

Source: Budget of the United States Government FY1997, March 18, 1996

### Information Technology Budget

The information technology budget of the Department of Energy is provided in Exhibit 3. The data shown is based on the Department of Energy FY96 response to OMB Circular A-11. INPUT's analysis of this data yielded a compound annual growth rate (CAGR) for the DOE's total IT spending of 6% over the period shown.

At the time this report was prepared, the Department of Energy had not released its FY97 response to OMB Circular A-11. Due to Secretary O'Leary's plan for reorganizing and reducing the Department of Energy, the FY97 A-11 response will probably indicate a level or slightly declining information technology budget for the next five years.

Exhibit 3

## Information Technology Budget of the Department of Energy

Category	1995	1996	1997	1998	1999	2000	CAGR 1995- 2000
<b>Equipment:</b>							
Capital Purchases	\$375	\$426	\$441	\$458	\$477	\$496	6%
Other Purchases and Leases	51	42	43	44	46	47	-2%
<b>Total Equipment</b>	<b>426</b>	<b>468</b>	<b>484</b>	<b>502</b>	<b>523</b>	<b>543</b>	<b>5%</b>
<b>Software:</b>							
Capital Purchases	53	48	50	52	54	57	1%
Other Purchases and Leases	8	8	8	9	9	9	3%
<b>Total Software</b>	<b>61</b>	<b>56</b>	<b>58</b>	<b>61</b>	<b>63</b>	<b>66</b>	<b>2%</b>
<b>Services (Processing and Telecom.)</b>	<b>123</b>	<b>126</b>	<b>130</b>	<b>135</b>	<b>140</b>	<b>146</b>	<b>3%</b>
<b>Support Services</b>	<b>684</b>	<b>724</b>	<b>764</b>	<b>807</b>	<b>853</b>	<b>908</b>	<b>6%</b>
<b>Supplies</b>	<b>125</b>	<b>130</b>	<b>137</b>	<b>144</b>	<b>150</b>	<b>157</b>	<b>5%</b>
<b>Personnel</b>	<b>35</b>	<b>37</b>	<b>93</b>	<b>90</b>	<b>87</b>	<b>84</b>	<b>19%</b>
<b>Contracted Out Portion of IT Budget</b>	<b>1,294</b>	<b>1,373</b>	<b>1,436</b>	<b>1,506</b>	<b>1,579</b>	<b>1,662</b>	<b>5%</b>
<b>Total IT Budget</b>	<b>1,454</b>	<b>1,540</b>	<b>1,666</b>	<b>1,739</b>	<b>1,815</b>	<b>1,903</b>	<b>6%</b>

All figures in \$ Millions

Source: Department of Energy and INPUT

## IT Contract Opportunities

The major departmental acquisitions summarized below are in the pre-proposal stage:

*a. Licensing Support System (LSS)*

The Department of Energy and the Nuclear Regulatory Commission have a requirement for an imaging system capable of electronically storing and accessing legal, technical, legislative and scientific information.

*b. ADP Support Services*

This procurement will provide on-site ADP support services to the Federal Energy Regulatory Commission's Computer Center.

This contract will also provide for the operation of the Records Information Management System.

*c. Technical Support Services*

The Albuquerque Operations Office has a requirement for specialized technical support services and expertise to assist the Office of Operations and Weapons in programmatic activities.

*d. ADP Support Services*

The Department of Energy has a requirement for ADP support services for the Western Area Power Administration.



*e. ADP and Telecommunications Support Services*

This procurement will provide support services to the Office of Civilian Radioactive Waste Management networks in Washington, DC and Las Vegas, NV.

*f. Analysis of Energy Data Collections*

The Department of Energy has a requirement for technical and administrative support services for the Information Administration.

*g. Telecommunications Integrator Services (TELIS)*

This procurement is an initiative to establish a department-wide contract providing major telecommunications integrator services.

*h. Automated Data Processing Support Services*

The Oak Ridge Operations Office has a requirement for automated data processing support services.

*i. Computer Operations Facilities and Telecommunications Services (COFATS)*

The Bonneville Power Administration has a requirement for ongoing, on-site computer operations facilities and telecommunications services.

## Top Contractors and Contracts

A list of the top IT contractors with the Department of Energy is provided in Exhibit 4. Although it is included under the general definition of information technology, the work performed by several of the contractors listed may be better defined as environmental sciences engineering and consulting. This data is based on contract actions filed with the Federal Procurement Data Center at GSA. Exhibit 5 lists some of the major active IT contracts at the Department of Energy.

Exhibit 4

### Top Contractors at the Department of Energy

**4QFY94–3QFY95**

1. Computer Data Systems, Inc.
2. BDM Corporation
3. McDermott International, Inc.
4. SAIC
5. Tetra Tech, Inc.
6. Stone & Webster, Inc.
7. Waste Policy Institute
8. Coleman Research Corporation
9. Advanced Sciences, Inc.
10. Professional Analysis, Inc.

*Source: Federal Procurement Data Center*

## Exhibit 5

## Major Contracts at the Department of Energy

<u>Program</u>	<u>Type</u>	<u>Size</u>	<u>Description</u>
1. ADP Support Services	Professional Services	\$36M 5 yrs.	CDSI provides on-site ADP support services for the Federal Energy Regulatory Commission's Computer Center. CDSI is also responsible for the operation of the Records Information Management System.  Awarded in September 1991.
2. ADP Support Services	Professional Services	\$13M 5 yrs.	SAIC provides the Office of Scientific and Technical Information Services with support for software development, maintenance of systems hardware and software, local area networks, wide area networks and telecommunications.  Awarded in September 1991.
3. Advanced Computer System	Hardware/ Software	\$32M 5 yrs.	Cray Research, Inc. provides hardware and software for a large-scale scientific computer system for the Bettis Atomic Power Laboratory and the Knoll Atomic Power Laboratory.  Awarded in September 1992.
4. Los Alamos Integrated Communications System Phase II (LAICS II)	Network Services	\$38M 10 yrs.	US West provides switched and dedicated voice, data and image telecommunications services over common high-speed fiber optic transmission facilities.  Awarded in October 1992.
5. Energy Information Administration Facilities Management (EIAFM)	Facilities Management	\$20M 5 yrs.	Unisys provides facilities management services including engineering, support, operations, maintenance and documentation at the Energy Information Administration.  Awarded in May 1993.
6. ADP Support Services	Professional Services	\$20M 5 yrs.	NSR Information, Inc. provides ADP support services for the Western Area Power Administration Salt Lake City, UT Area Office, Montrose, CO District Office and Golden, CO Headquarters.  Awarded in February 1994.

<u>Program</u>	<u>Type</u>	<u>Size</u>	<u>Description</u>
7. ADP and Telecommunications Support Services	Professional Services	\$227M 5 yrs.	Dyncorp provides services for the development of management information and office systems in support of department-wide systems.  Awarded in April 1994.
8. Analysis of Energy Data Collections	Professional Services	\$12M 5 yrs.	Walcoff and Associates provide mathematical and statistical analysis of collected energy data, publication production and information systems design and enhancement.  Awarded in May 1994.
9. IRM Support Services	Professional Services	\$246M 5 yrs.	Dyncorp provides IRM support services for the Office of Information Technology Services and Operations.  Awarded in March 1995.
10. Automated Data Processing Support Services	Professional Services	\$12M 5 yrs.	Pragmatics, Inc. provides automated data processing support services at the Oak Ridge Operations Office in Oak Ridge, TN.  Awarded in July 1995.
11. IRM Technical Support Services	Professional Services	\$29M 5 yrs.	SAIC provides on-site IRM technical support services at the Albuquerque Operations Office in Albuquerque, NM.  Awarded in July 1995.
12. Computer Operations Facilities and Telecommunications Services (COFATS)	Facilities Management	\$43M 5 yrs.	Unisys provides on-site computer facilities operation and telecommunications support for the Bonneville Power Administration.  Awarded in September 1995.

Source: INPUT



## Issues at the Department of Energy

1. Department of Energy Secretary Hazel O'Leary has come under intense criticism in recent months for what many people cite as quintessential examples of government waste. The criticism started with the discovery that the Department of Energy had hired Carma International, a private consulting firm, to monitor media coverage of the Department of Energy.

This situation was exacerbated by an examination of Secretary O'Leary's extensive foreign travel. Several of these trips have been called extravagant and unnecessary due primarily to the large numbers of people traveling with the Secretary. The Department of Energy has defended the trips by saying that they generated \$19 billion in new business for American companies; however, that figure has also been called into question. In addition, a GAO report released in January 1996 detailed discrepancies in the accounting for several of these trips.

These problems have prompted Republicans in Congress to call, repeatedly, for Secretary O'Leary's resignation. Secretary O'Leary has thus far not resigned and, in fact, has expressed interest in continuing as Secretary for quite some time.

2. In December 1995, the Department of Energy became the first federal agency to chose the Government Acquisition Through Electronic Commerce (GATEC) system over the Federal Acquisition Network (FACNET) for its electronic commerce needs. The Department of Energy expects GATEC, which was designed by Lawrence Livermore National Laboratory, to fit departmental electronic commerce requirements better

than FACNET. GATEC should have the capability to be interoperable with FACNET in the future.

3. Effective November 1, 1995, Mr. S.W. "Woody" Hall was appointed Chief Information Officer of the Department of Energy. As CIO, Mr. Hall will oversee the design of a department-wide, interoperable information architecture. Mr. Hall expects information technology spending in the Department of Energy to decline in some areas, while in other areas, such as integrated communications, it is expected to increase. Overall, the integration of information management systems is expected to save \$245 million over the next five years. Information technology will be expected to fill the gap left by the 27% reduction of Department staff that is planned for the next five years.

4. The General Accounting Office released a report in July 1995 criticizing the Department of Energy for selling surplus computers without properly data sanitizing them. The danger of improperly sanitized computers lies in leaking classified information about military and nuclear programs. Without tighter security, poor data sanitation could become an increasing problem as the drastically downsizing agency begins to sell off more surplus computers.

## **On-Line Information Resources**

The Department of Energy maintains a World Wide Web site accessible at "<http://www.doe.gov>". This site contains detailed information about DOE offices and programs. Also available are DOE reports and declassified documents, as well as information about departmental business opportunities. In addition, the site has a complete list of DOE press releases and current events.

## **Major Points of Contact**

### **Secretary**

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Washington, DC 20585  
(202) 586-6210

### **Chief Information Officer**

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### **Assistant Secretary, Congressional, Public and Intergovernmental Affairs**

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This Agency Profile is issued as part of INPUT's Federal IT Market Analysis Program. If you have questions or comments on this profile, please call your local INPUT organization or Otto Doll at INPUT, 1921 Gallows Road, Suite 250, Vienna, VA 22182-3900. Tel. (703) 847-6870.

# Agency Profile

A Publication from INPUT's Federal IT Market Analysis Program

Vol. II, No. 7

April 1996

## Federal Bureau of Investigation

### Purpose

It is the mission of the Federal Bureau of Investigation (FBI) to uphold the law through the investigation of violations of federal criminal law, to protect the United States from foreign intelligence activities, to provide leadership and law enforcement assistance to federal, state, local and international agencies, and to perform these responsibilities in a manner that is responsive to the needs of the public and is faithful to the Constitution of the United States.

### Organization

The Federal Bureau of Investigation was established in 1908 by the Attorney General, who directed that Department of Justice investigations be handled by its own staff.

On January 28, 1982, the Attorney General assigned concurrent jurisdiction for the enforcement of the Controlled Substances Act (21 U.S.C. 801) to the FBI and the Drug Enforcement Administration (DEA). The DEA Administrator reports to the Attorney General through the FBI Director, currently Louis J. Freeh.

The FBI is a field-oriented organization in which nine divisions and three offices at FBI Headquarters (FBIHQ) in Washington, DC provide program direction and support services to 56 field offices, approximately 400 satellite offices known as resident agencies, four specialized field installations and 22 foreign liaison posts.

The FBI has approximately 10,000 Special Agents and 13,750 other employees who perform professional, administrative, technical, clerical, craft, trade or maintenance operations. About 7,250 employees are assigned to FBIHQ; approximately 16,500 are assigned to field installations.

The organizational structure of the Federal Bureau of Investigation is presented in Exhibit 1.



Exhibit 1

## Agency Organization

Director

Deputy Director

- Criminal Investigative Division
- Criminal Justice Information Services Division
- Inspection Division
- Laboratory Division
- National Security Division
- Finance Division
- Personnel Division
- Information Resources Division
- Training Division
- Office of the General Counsel
- Public and Congressional Affairs Office
- Equal Employment Opportunity Affairs Office

Source: Carroll Publishing 1996

## Program Activities

Below are the primary organizations within the Federal Bureau of Investigation:

### *a. Executive Office*

The Director and Deputy Director of the FBI are responsible for establishing major organizational policy and providing leadership for the agency.

### *b. Criminal Investigative Division*

This division coordinates investigative matters concerning organized crime, drugs, violent crimes, white-collar crime, applicants, civil rights, fugitives, crimes on government reservations and interstate theft.

### *c. Criminal Justice Information Services Division*

This division is the largest FBI division and serves as a customer-driven organization providing state-of-the-art identification and information services. It handles the processing of the millions of fingerprint cards and related information submitted by federal, state and local justice agencies.

### *d. Inspection Division*

The Inspection Division is composed of the Office of Inspections, the Office of Planning, Evaluation and Audits, and the Office of Professional Responsibility. These offices are responsible for internal agency investigations, long-range planning and financial audits.

### *e. Laboratory Division*

The Laboratory Division is the only full-service federal forensic science laboratory serving law enforcement. It is divided into five major sections: Documents, Scientific Analysis, Special Projects, Latent Fingerprint, and the Forensic Science Research and Training Center.

### *f. National Security Division*

This division coordinates investigative matters concerning foreign counterintelligence and international counterterrorism. The division is also responsible for the FBI's Security Countermeasures Program.

### *g. Finance Division*

This division manages FBI budget and accounting matters, voucher and payroll functions, the procurement process, property management, competition advocacy, and agency space allocation and maintenance requirements.

*h. Personnel Division*

This division manages personnel matters including recruitment, hiring, staffing, performance evaluations, the employee health assistance and benefits program, and training.

*i. Information Resources Division*

This division has the principal responsibility for developing the information architecture of the FBI and managing FBI information throughout its life cycle. The division establishes operational goals for the future and manages the day-to-day gathering, processing, storing, retrieving and disposition of information in the investigative and administrative record systems of the FBI.

*j. Training Division*

The Training Division administers the FBI Academy in Quantico, VA, conducts and coordinates training for FBI in-service and new agent personnel, and provides training assistance, upon request, to local, county, state and international law enforcement personnel around the world.

*k. Office of the General Counsel*

This office furnishes legal advice to the Director and other FBI officials, researches legal questions concerning law enforcement matters, and supervises civil litigation and administrative claims involving the FBI, its personnel and its records.

*l. Public and Congressional Affairs Office*

This office communicates information on FBI policy, investigations, services, programs, and accomplishments to the news media, Congress and the public.

*m. Office of Equal Employment Opportunity Affairs*

The mission of this office is to ensure equality of opportunity for all employees and applicants, and to prohibit discrimination in employment based on race, color, religion, age, sex (including sexual harassment), national origin or handicapped status. This office is also responsible for complaint processing and special preference programs.

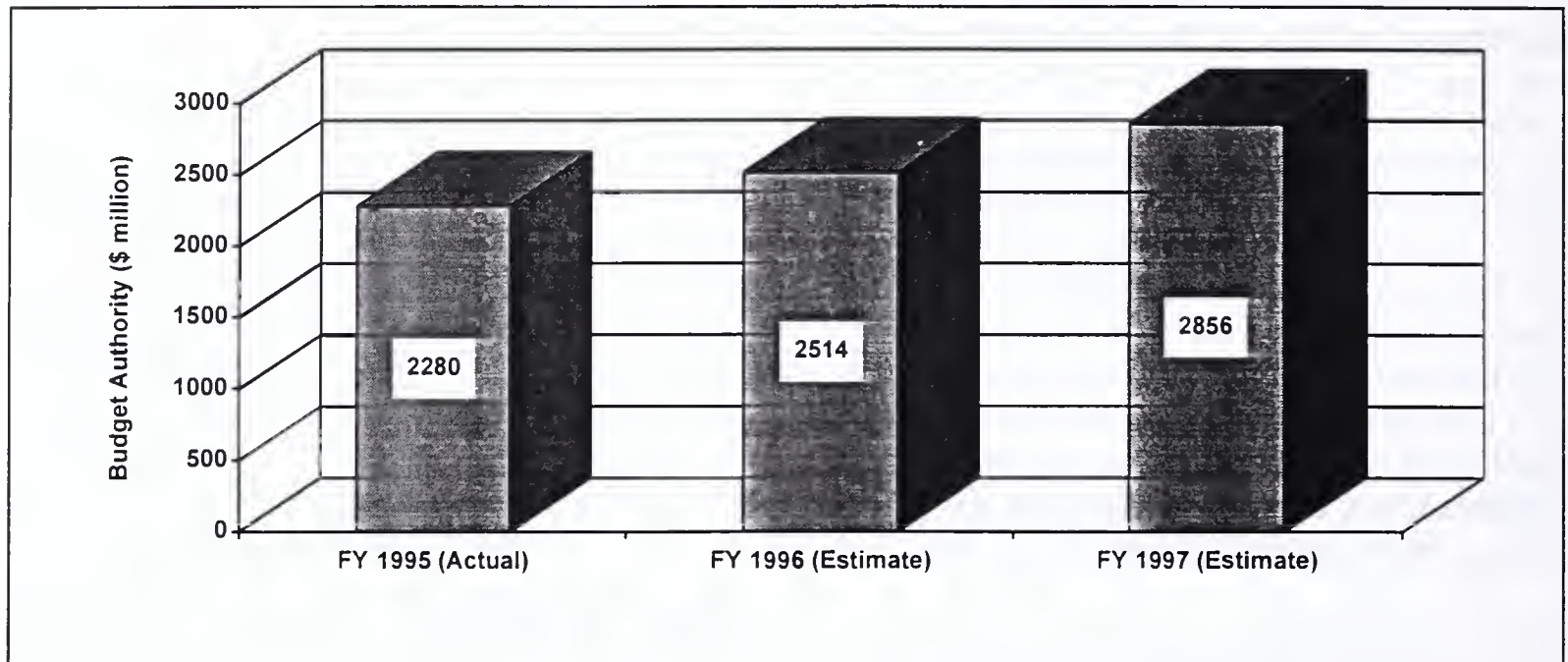
## Program Budget

Although its FY 1996 budget has yet to be approved, the FBI is expecting significant growth in its budget through FY 1997. This growth can be attributed to the President's concern for law enforcement and should support the FBI's effort to increase its force of Special Agents and support personnel in the next few years.

The program budget for the Federal Bureau of Investigation is presented in Exhibit 2.

Exhibit 2

### Program Budget of the Federal Bureau of Investigation



Source: Budget of the United States Government FY1997, February 5, 1996

### Information Technology Budget

The Federal Bureau of Investigation is expected to experience moderate growth in its information technology spending over the next five years. The most significant growth is expected to occur in the area of support services. Also of note is the contracted out portion of the IT budget which accounts for more than 85% of the total IT budget. This portion is expected to continue growing with respect to the total IT budget.

The compound annual growth rate (CAGR) for the Federal Bureau of Investigation's total IT spending over the period shown is 5%. The information technology budget of the Federal Bureau of Investigation is provided in Exhibit 3.



Exhibit 3

## Information Technology Budget of the Federal Bureau of Investigation

Category	1995	1996	1997	1998	1999	2000	CAGR 1995- 2000
<b>Equipment:</b>							
Capital Purchases	\$80	\$78	\$83	\$82	\$86	\$91	3%
Other Purchases and Leases	1	1	2	1	2	2	3%
<b>Total Equipment</b>	<b>81</b>	<b>79</b>	<b>85</b>	<b>83</b>	<b>88</b>	<b>93</b>	<b>3%</b>
<b>Software:</b>							
Capital Purchases	15	15	16	17	18	19	5%
Other Purchases and Leases	5	5	5	6	6	6	5%
<b>Total Software</b>	<b>20</b>	<b>20</b>	<b>21</b>	<b>22</b>	<b>24</b>	<b>25</b>	<b>5%</b>
<b>Services (Processing and Telecom.)</b>	<b>29</b>	<b>29</b>	<b>31</b>	<b>32</b>	<b>34</b>	<b>36</b>	<b>4%</b>
<b>Support Services</b>	<b>106</b>	<b>124</b>	<b>136</b>	<b>145</b>	<b>155</b>	<b>165</b>	<b>9%</b>
<b>Supplies</b>	<b>3</b>	<b>3</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4</b>	<b>4%</b>
<b>Personnel</b>	<b>37</b>	<b>39</b>	<b>37</b>	<b>36</b>	<b>35</b>	<b>34</b>	<b>-2%</b>
<b>Contracted Out Portion of IT Budget</b>	<b>237</b>	<b>253</b>	<b>272</b>	<b>283</b>	<b>300</b>	<b>320</b>	<b>6%</b>
<b>Total IT Budget</b>	<b>277</b>	<b>295</b>	<b>313</b>	<b>323</b>	<b>338</b>	<b>358</b>	<b>5%</b>

All figures in \$ Millions

Source: Federal Bureau of Investigation and INPUT

## IT Contract Opportunities

The major Federal Bureau of Investigation acquisitions summarized below are in the pre-solicitation stage:

*a. Commercial Scanners for the FBI*

This program will provide for the acquisition of commercial optical character recognition (OCR) scanners and software.

*b. FOIPA Document Processing System*

The FBI has a requirement for an image-based document processing system for the Freedom of Information/Privacy Act to support up to 400 users.

*c. FBI-DEA Administrative System*

The Department of Justice requires an office automation system to facilitate the communication between the Drug Enforcement Agency (DEA) and the FBI.

*d. Digital Facial Database Software Support*

The FBI has a requirement for software to support an automated digital facial database system.

*e. Law Enforcement Wireless Communications Network (LEWCN)*

The FBI plans to develop a Law Enforcement Wireless Communications Network (LEWCN) to improve federal law enforcement and state and local public safety officials' ability to communicate.

*f. Joint Automated Booking Station (JABS)*

The Department of Justice intends to develop an automated booking station for law enforcement agencies.

*g. Justice Laptops II*

The Department of Justice intends to establish a contract vehicle for the acquisition of laptop computers and related equipment for the portable processing needs of the FBI and the Department of Justice.

## Top Contractors and Contracts

A list of the top IT contractors with the Federal Bureau of Investigation is provided in Exhibit 4. This data is based on contract actions filed with the Federal Procurement Data Center at GSA. Exhibit 5 lists the major active IT contracts at the FBI.

### Exhibit 4

#### Top Contractors at the Federal Bureau of Investigation 4QFY94–3QFY95

1. Harris Corporation
2. Motorola, Inc.
3. Mnemonic Systems, Inc.
4. SAIC
5. Justice Technology Partners<sup>†</sup>
6. Federal Computer Corporation
7. Pacificorp Capital, Inc.
8. Unisys Corporation
9. Applied Quality Communications, Inc.
10. FDC Technologies, Inc.

Source: Federal Procurement Data Center

<sup>†</sup> Justice Technology Partners is a joint venture involving I-Net, International Data Products and Federal Computer Corporation

## Exhibit 5

## Major Contracts at the Federal Bureau of Investigation

<u>Program</u>	<u>Type</u>	<u>Size</u>	<u>Description</u>
1. National Crime Information Center 2000 (NCIC 2000)	Hardware/ Software	\$47M 5 yrs.	Harris Corporation provides a mainframe and storage products in support of the National Crime Information Center 2000.  Awarded in March 1993.
2. Commercial Intelligent Workstations (CIWS)	Hardware/ Software	\$128M 5 yrs.	Justice Technology Partners provides commercial intelligent workstations and software in support of the FBI's Field Office Information Management System.  Awarded in November 1993.
3. IAFIS Integration Support (IAFIS - IS)	Professional Services	\$140M 7 yrs.	CTA, Inc. is managing the overall systems integration of the Integrated Automated Fingerprint Identification System with existing operational and developmental programs.  Awarded in February 1994.
4. IAFIS Identification Tasking and Networking (ITN)	Network Services	\$76M 8 yrs.	PRC provides hardware and software for the Identification Tasking and Networking system in support of the Integrated Automated Fingerprint Identification System.  Awarded in April 1994.
5. IAFIS Interstate Identification Index (III)	Professional Services	\$215M 8 yrs.	SAIC provides hardware, software, development, testing, training and maintenance for the Interstate Identification Index component of the Integrated Automated Fingerprint Identification System.  Awarded in August 1994.
6. Commercial Portable Computers (CPC)	Hardware/ Software	\$50M 5 yrs.	International Data Products provides commercial portable computers and software in support of the FBI's Field Office Information Management System.  Awarded in September 1994.
7. Fingerprint Image Conversion Operation (FICO)	Professional Services	\$30M 3 yrs.	North American MORPHO Systems provides services for the scanning of fingerprint cards into high resolution digital images for use with the Integrated Automated Fingerprint Identification System.  Awarded in December 1994.
8. IAFIS Automated Fingerprint Identification System (AFIS III)	Professional Services	\$109M 6 yrs.	Lockheed Martin is developing the core fingerprint matching software for the FBI's Integrated Automated Fingerprint Identification System.  Awarded in January 1996.

Source: INPUT



## Issues at the Federal Bureau of Investigation

1. The 1994 Communications Assistance for Law Enforcement Act (CALEA) is causing a significant amount of concern for telecommunications carriers. The law calls for carriers to revamp public network equipment by October 25, 1998 in order to comply with FBI digital wire-tapping requirements. The government has allocated \$500 million per year to offset the costs incurred by carriers for the equipment modifications. However, vendors are expecting costs to exceed \$500 million per year, even if that amount is still available after recent budget cutting efforts.

2. The Federal Bureau of Investigation has initiated the most aggressive recruitment effort in its history to attract qualified applicants. As a result of recent favorable appropriations, the FBI expects to hire hundreds of new agents and support personnel in the next few years.

3. In 1994, the FBI completed Project Forge, a comprehensive internal evaluation designed to review the agency's organizational structure and design. As a result of Project Forge, the FBI initiated a series of organizational changes which included consolidating the agency's eleven divisions and four offices along functional lines to create the current nine divisions and three offices. Project Forge also led to a reduction in the number of management levels and an increase in the operational authority of the field offices.

4. A recent effort to increase the efficiency and effectiveness of investigations through the use of available technology has resulted in the creation of the FBI Rapid Start Team. The Rapid Start Team is a pool of Special Agents and support personnel deployable in groups to provide on-site automation for major cases. Automation is achieved by entering all pertinent facts into a database which can then be sorted, filtered and analyzed, allowing for more effective lead management.

5. Since the FBI began analyzing DNA evidence in 1988, it has become an important element of many investigations. To facilitate the use of analyzed DNA data, the FBI is implementing the Combined DNA Index System (CODIS). CODIS is a database containing DNA profiles of convicted sex offenders, other violent offenders and missing persons. The system allows for state and local authorities to match DNA profiles in cases having unknown suspects.

## On-Line Information Resources

The Federal Bureau of Investigation maintains a World Wide Web home page accessible at <http://www.fbi.gov>. This page is primarily a public relations site for obtaining organizational and program information about the FBI. Press releases and speech transcripts are also available, as well as information about high profile federal investigations such as the Oklahoma City bombing and the UNABOM case.

Aside from policy and budget information which may be found in the press releases or speech transcripts, the only information of significance to information technology vendors is a detailed overview of the Integrated Automated Fingerprint Identification System (IAFIS).

## Major Points of Contact

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### Information Resources Division

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This Agency Profile is issued as part of INPUT's Federal IT Market Analysis Program. If you have questions or comments on this profile, please call your local INPUT organization or Otto Doll at INPUT, 1921 Gallows Road, Suite 250, Vienna, VA 22182-3900. Tel. (703) 847-6870.

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# Agency Profile

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## Department of State

### Purpose

The Department of State is the senior executive department of the U.S. Government and advises the President in the formulation and execution of foreign policy. The Department of State's primary objective in the conduct of foreign relations is to promote the long-range security and well-being of the United States. The department determines and analyzes the facts relating to American overseas interests, makes recommendations on policy and future action, and takes the necessary steps to carry out established policy.

### Organization

The Department of State was established by act of July 27, 1789 as the Department of Foreign Affairs and was renamed Department of State by act of September 15, 1789 (22 U.S.C. 2651).

The Department of State is headed by the Secretary of State, who is aided by a Deputy Secretary, five Under Secretaries, and 19 Assistant Secretaries. The Chief of Staff and Executive Secretariat closely support the Secretary and Deputy Secretary. Several specialized offices and bureaus-headed by top aides and key advisors to the Secretary-help the department focus on certain critical

foreign policy areas and on important management issues.

The department's Under Secretaries act as the "corporate board" of key advisors to the Secretary. They oversee the activities of most of the department's bureaus and offices, which are organized under them to support their policy planning, coordination, and implementation activities. The Under Secretaries are those for Political Affairs; Economic, Business and Agricultural Affairs; Arms Control and International Security Affairs; Management; and Global Affairs.

The Department of State carries out its mission through overseas posts, its Washington, DC headquarters, and other offices in the U.S. Its employees in the U.S. and abroad include political appointees as well as career Civil Service and Foreign Service personnel.

The Department of State is currently directed by Secretary Warren Christopher and employed approximately 23,700 people as of January 1996. Despite initiatives to consolidate the department's domestic and overseas presence, this employment figure has not significantly changed from its January 1995 level of 23,900 people. The organizational structure of the Department of State is presented in Exhibit 1.

Exhibit 1

## Agency Organization

Secretary

Deputy Secretary

- Executive Secretariat
- Ambassadors-at-Large
- Chief of Protocol
- Inspector General
- Legal Advisor
- Management
- Policy Planning Staff
- Political Affairs
- Global Affairs
- Arms Control and International Security Affairs
- Economic, Business and Agricultural Affairs
- Equal Employment Opportunity and Civil Rights

Source: Carroll Publishing 1996

## Program Activities

Below are the primary functional areas within the Department of State:

### *a. Diplomatic Security*

The Bureau of Diplomatic Security, established under the Omnibus Diplomatic Security and Anti-terrorism Act of 1986, strives to provide a secure environment for conducting American diplomacy and promoting American interests worldwide. The Assistant Secretary of State for Diplomatic Security is responsible for security and protective operations abroad and in the United States, counter-terrorism planning and coordination, security technology development, foreign government security training and personnel training.

### *b. Economic and Business Affairs*

The Bureau of Economic and Business Affairs has overall responsibility for formulating and implementing policy regarding foreign economic matters, including resource and food

policy, international energy issues, trade, economic sanctions, international finance and development, as well as aviation and maritime affairs.

### *c. Finance and Management Policy*

The Bureau of Finance and Management Policy is directed by the Chief Financial Officer (CFO), who serves as the department's Budget Officer and Management Control Officer. The CFO, assisted by a host of financial management personnel, establishes management policies and internal controls, ensures the presence of adequate systems to produce financial and related programmatic information, develops financial analysis and performance reports, and integrates budget execution and accounting functions.

### *d. Foreign Service Institute*

The Foreign Service Institute of the Department of State is the federal government's primary training institution for officers and support-personnel of the foreign affairs community. In addition to the Department of State, the Institute provides training for more than 40 other governmental agencies. The Institute's more than 300 courses are designed to promote successful performance in each professional assignment, to ease the adjustment to other countries and cultures, and to enhance the leadership and management capabilities of the foreign affairs community.

### *e. Intelligence and Research*

The Bureau of Intelligence and Research coordinates programs of intelligence, analysis, and research for the Department of State and other federal agencies. Furthermore, the Bureau produces intelligence studies and current intelligence analyses essential to foreign policy determination and execution. Through its Office of Research, the Bureau maintains liaison with cultural and educational institutions and oversees contract research and conferences on foreign affairs subjects.



*f. International Communications and Information Policy*

The Bureau of International Communications and Information Policy is the principal advisor to the Secretary of State on international telecommunications policy issues affecting U.S. foreign policy and national security. The Bureau acts as coordinator with other U.S. government agencies and the private sector in the formulation and implementation of international policies that relate to a wide range of communications and information technologies.

*g. International Narcotics and Law Enforcement Affairs*

The Bureau of International Narcotics and Law Enforcement Affairs is responsible for developing, coordinating and implementing international narcotics control assistance as authorized under sections 481 and 482 of the Foreign Assistance Act of 1961. It is the principal point of contact and provides advice on international narcotics control matters for the Office of Management and Budget, the National Security Council and the White House Office of National Drug Control Policy.

*h. International Organization Affairs*

The Bureau of International Organization Affairs provides guidance and support for United States participation in international organizations and conferences. The Bureau formulates and implements United States policy toward international organizations, with particular emphasis on those organizations which make up the United Nations system.

*i. Legal Advisor*

The Legal Advisor is the principal advisor to the Secretary of State and, through the Secretary, to the President on all matters of international law arising in the conduct of United States foreign relations. The Legal Advisor also provides general legal advice and services to the Secretary and other officials of the department on matters with which the department and overseas posts are concerned.

*j. Medical Services*

The Office of Medical Services develops, manages and staffs a worldwide primary health care system for U.S. citizen employees, and their eligible dependents, residing abroad. Agencies which participate in this medical program include the Department of State, the U.S. Information Agency, the U.S. Agency for International Development and over 48 other foreign affairs agencies and offices.

*k. Consular Affairs*

The Bureau of Consular Affairs, under the direction of the Assistant Secretary, is responsible for the administration and enforcement of the provisions of the immigration and nationality laws, insofar as they concern the department and the Foreign Service, for the issuance of passports and visas and related services, and for the protection and welfare of American citizens and interests abroad. Approximately 4 million passports are issued annually by the Passport Office of the Bureau, which has offices in Boston, Chicago, Honolulu, Houston, Los Angeles, Miami, New Orleans, New York, Philadelphia, San Francisco, Seattle, Stamford and Washington, DC.

*l. Political-Military Affairs*

The Bureau of Political-Military Affairs provides guidance and coordinates policy formulation on national security issues, including nonproliferation of weapons of mass destruction and missile technology, nuclear and conventional arms control, defense relations and security assistance, and export controls. It acts as the department's primary liaison with the Department of Defense. The Bureau also participates in all major arms control, nonproliferation and other security-related negotiations.

*m. Protocol*

The Chief of Protocol is the principal advisor to the U.S. Government, the President, the Vice President and the Secretary of State on matters of diplomatic procedure governed by law or international custom and practice. The



Office is responsible for visits of foreign chiefs of state, heads of government and other high officials to the United States; delegations representing the President at official ceremonies abroad; accreditation of over 100,000 foreign government personnel and members of their families throughout the United States; and determining entitlement to diplomatic or consular immunity.

#### *n. Foreign Service*

The United States Foreign Service is the principal means through which the nation establishes and develops relationships with other countries. Presently, representatives at 164 embassies, 10 missions, 3 U.S. liaison offices, 1 U.S. interests section, 70 consulates general, 20 consulates, 4 branch offices, and 46 consular agencies throughout the world report to the State Department on the multitude of foreign developments that have a bearing on the welfare and security of the American people. These representatives provide the President and the Secretary of State with much of the raw material from

which foreign policy is made.

Ambassadors are the personal representatives of the President and report to the President through the Secretary of State. Ambassadors have full responsibility for implementing U.S. foreign policy by any and all U.S. government personnel within their country of assignment, except those under military commands.

### **Program Budget**

With only a few exceptions, budget allocations within the Department of State are expected to stay relatively constant over the next several years. One such exception is the budget for international narcotics control, which is expected to increase by 94% from FY1995 to FY1997. The budget for international peacekeeping activities, on the other hand, is expected to decline by 18% during the same period. The program budget for the Department of State is presented in Exhibit 2.

Exhibit 2

### **Program Budget of the Department of State**

<b>Program Activity</b>	<b>FY95 (actual)</b>	<b>FY96 (estimate)</b>	<b>FY97 (estimate)</b>
Diplomatic and Consular Programs	\$1,757	\$1,719	\$1,747
Acquisition and Maintenance of Buildings Abroad	380	326	386
Foreign Service Retirement and Disability Fund	267	267	272
Protection of Foreign Missions and Officials	9	9	8
Contributions to International Organizations	877	923	1,045
Contributions to International Peacekeeping Activities	519	440	425
Migration and Refugee Assistance	671	671	650
International Narcotics Control	110	115	213
Anti-Terrorism Assistance	15	16	17
International Boundary and Water Commission	20	19	26
Office of the Inspector General	24	27	27

All figures in \$ Millions

Source: Budget of the United States Government FY1997, February 5, 1996

## Information Technology Budget

The information technology (IT) budget of the Department of State is expected to experience moderate but steady growth over the next five years. The most notable increase in budgetary allocations will be in capital purchases of IT equipment, which is expected to almost double from \$54 million

in 1995 to \$94 million in 2000. Outlays for personnel is the only category expected to decline—at a compound rate of 3% annually.

The compound annual growth rate (CAGR) for the Department of State's total IT spending over the period shown is 4%. The information technology budget of the Department of State is provided in Exhibit 3.

Exhibit 3

### Information Technology Budget of the Department of State

Category	1995	1996	1997	1998	1999	2000	CAGR 1995- 2000
<b>Equipment:</b>							
Capital Purchases	\$54,344	\$74,769	\$79,629	\$83,610	\$87,791	\$93,497	12%
Other Purchases and Leases	1,605	1,712	1,823	1,914	2,010	2,141	6%
<b>Total Equipment</b>	<b>55,949</b>	<b>76,481</b>	<b>81,452</b>	<b>85,525</b>	<b>89,801</b>	<b>95,638</b>	<b>11%</b>
<b>Software:</b>							
Capital Purchases	5,073	6,173	6,543	6,936	7,352	7,867	9%
Other Purchases and Leases	357	386	413	438	464	497	7%
<b>Total Software</b>	<b>5,430</b>	<b>6,559</b>	<b>6,956</b>	<b>7,374</b>	<b>7,816</b>	<b>8,363</b>	<b>9%</b>
<b>Services (Processing and Telecom.)</b>	<b>95,753</b>	<b>96,054</b>	<b>101,817</b>	<b>106,908</b>	<b>112,254</b>	<b>118,989</b>	<b>4%</b>
Support Services	34,469	34,328	37,418	40,037	42,639	45,624	6%
Supplies	10,530	10,718	11,254	11,817	12,289	12,904	4%
Personnel	122,033	123,497	119,175	115,003	110,978	107,094	-3%
<b>Contracted Out Portion of IT Budget</b>	<b>191,601</b>	<b>213,422</b>	<b>227,643</b>	<b>239,844</b>	<b>252,510</b>	<b>268,614</b>	<b>7%</b>
<b>Total IT Budget</b>	<b>324,164</b>	<b>347,637</b>	<b>358,072</b>	<b>366,664</b>	<b>375,778</b>	<b>388,612</b>	<b>4%</b>

All figures in \$ Thousands

Source: Department of State and INPUT

## IT Contract Opportunities

The major Department of State acquisitions summarized below are in the pre-solicitation stage:

### *a. Office Automation Recompensation (SOAR)*

The Bureau of Administration has a continuing need for hardware, software and support services to provide an integrated

family of word and image processing systems.

### *b. Consular Lookout and Support System (CLASS)*

The Bureau of Consular Affairs requires ADP technical support services for its multi-language name recognition system. This program will provide linguistics analysis and search techniques.

*c. Consolidated Telecommunications Services for Domestic Installations (CTS)*

The Department of State intends to recompetite the operation and maintenance of its domestic telecommunications network. This network provides switched voice and data services in the Washington, DC and New York City metropolitan areas.

*d. Information Technology Support Services*

This program will acquire development and maintenance of software systems for the Foreign Affairs Information Systems (FAIS).

*e. Professional, Administrative and Training Support*

The State Department has a requirement for security systems and personnel to provide professional, administrative and training support.

*f. Telecommunications Engineering Support Services*

The Diplomatic Telecommunications Service intends to acquire support for its worldwide communications network.

*g. State Information Infrastructure (SII)*

The State Department has a requirement for PC and LAN hardware and software to provide interoperability and continued support for its information infrastructure. An interim acquisition (SII-PC/LAN) will provide services until the complete contract (SII-2) is operational.

*h. Information Systems Security Services*

This program will provide security evaluation and certification of all Department of State automated information systems.

*i. State Message System (SMS)*

The State Department intends to implement a worldwide secure messaging system under this procurement.

## Top Contractors and Contracts

A list of the top IT contractors with the State Department is provided in Exhibit 4. This data is based on contract actions filed with the Federal Procurement Data Center at GSA. Exhibit 5 provides a brief overview of the major active IT contracts at the Department of State.

Exhibit 4

### Top Contractors at the Department of State 4QFY94–3QFY95

1. Wang
2. AMR Technical Management Services
3. ManTech Advanced Systems International
4. Computer Sciences Corporation
5. Statistica, Inc.
6. Dyncorp
7. Stanley Associates, Inc.
8. Information Management Consultants
9. E. L. Hamm & Associates, Inc.
10. Pinkerton Computer Consultants

Source: Federal Procurement Data Center



## Exhibit 5

## Major Contracts at the Department of State

<u>Program</u>	<u>Type</u>	<u>Size</u>	<u>Description</u>
1. Office Automation and Distributed Systems Recompensation	Hardware/ Software	\$841M 11 yrs.	Wang Laboratories provides hardware, software and maintenance services to fulfill the Bureau of Administration's requirement for an integrated family of information processing systems.  Awarded in August 1990.
2. Consolidated Telecommunication Services for Domestic Installations (CTS)	Network Services	\$122M 10 yrs.	AT&T operates and maintains the switched voice and data communications network to Department of State facilities and annexes in the Washington, DC and New York City metropolitan areas.  Awarded in December 1993.
3. ADPE Modernization Program (FEDCAC 101)	Hardware/ Software	\$56M 7 yrs.	FDC Technologies provides mainframe computers and structural changes to establish a back-up computing facility and to modernize the Department of State's existing ADP equipment.  Awarded in February 1994.
4. Model 204 Software Development and Maintenance (M204)	Professional Services	\$7M 5 yrs.	Computer Business Methods provides unilateral support and development of the department's M204 data base system at multiple sites.  Awarded in March 1994.
5. Diplomatic Telecommunications Service Value Added Network (DTS-VAN)	Network Services	\$10M 5 yrs.	Sprint Communications incorporates commercially-available packet data network services into the current worldwide communications network of the Diplomatic Telecommunications Service.  Awarded in August 1994.
6. Financial Systems Maintenance, Enhancement and Integration Support (FSMEI)	Professional Services	\$41M 5 yrs.	CBSI provides software support and documentation in an effort to integrate and standardize the department's worldwide financial information systems.  Awarded in May 1995.

7. Integrated Financial Management Systems (IFMS)	Hardware/ Software	\$42M 5 yrs.	CBSI provides financial management and accounting system software for the entire department, including overseas offices. This software upgrade is under mandate of the Joint Financial Management Improvement Program (JFMIP).  Awarded in May 1995.
8. Telephone Equipment Contract (DOSTEC)	Network Services	\$61M 10 yrs.	GTE provides hardware for and maintenance of State's overseas Voice-Telephone Systems (V-TEL). The contract calls for the replacement of existing switch, plant and customer premise equipment.  Awarded in July 1995.
9. Machine Readable Visas and Passports System (MRV/P)	Professional Services	\$20M 5 yrs.	Orkand Corporation provides installation, training and maintenance support for State's MRV/P systems. These systems incorporate digital photography and optical character recognition technologies to ease the visa tracking process.  Awarded in September 1995.

Source: INPUT

## Issues at the Department of State

1. The Department of State is continuing its reform efforts, both domestically and overseas, amidst ongoing allegations by Congress and the Government Accounting Office (GAO) of inefficiencies and waste in State's management practices. Under Vice President Gore's National Performance Review initiative, the State Department began to redefine its role and mission to improve the department's ability to meet changing foreign policy goals and objectives.

In 1994, this effort culminated in the Strategic Management Initiative (SMI). Currently, SMI has as its major objectives the continued consolidation of the department's overseas presence by closing 20 to 25 posts in addition to the 17 already closed, the streamlining of policy formulation and implementation by

increasing authority to overseas missions, the increase in interagency coordination, and the elimination of unnecessary, duplicative tasks by boosting information technology resources.

Prompted by Congress, GAO recently examined the department's efforts of reform and found that the State Department has initiated effective action on some Congressional recommendations to improve its embassy management, but also found that deficiencies continue in controls over personal property, training for U.S. and foreign service personnel, contracting and procurement practices, and senior-level oversight. In response, the State Department has thrown its efforts behind one facet of the SMI in particular—the Mission Program Plan (MPP)—to better define how individual post plans and missions can serve the overall mission of

U.S. foreign policy. To date, however, State is receiving more criticism than praise in its efforts.

2. In addition to internal measures of reform, the question has been posed of how well the U.S. is equipped—with a fractured foreign policy agency structure—to conduct a fast-paced, innovative and flexible foreign policy. Former Secretaries of State Baker, Eagleburger and Schultz, as well as prominent Congressional leaders as Senator Jesse Helms (R-NC), have proposed the consolidation of seven such agencies into two to create the unified American Foreign Service.

While no concrete action has been taken, the Department of State would absorb the U.S. Agency for International Development (USAID), the U.S. Information Agency (USIA) and the Arms Control and Disarmament Agency (ACDA). This integration would eliminate 30 senior positions (a reduction of 40%), consolidate three inspector general positions into one, and merge ten legislative functions into three. Many within the Department of State are opposed to the change before internal reforms have had a chance to materialize.

3. In a letter to vendors dated March 6, 1996, the Department of State solicited comments on its intentions to break the

planned State Information Infrastructure—PC/LAN (SII) procurement into two separate contracts. The Contracting Office may scale this program down to establish short-term base technologies under an aggressive procurement schedule. SII-2 would be created as a separate opportunity to satisfy the larger scope of requirements.

The \$100 million SII is intended to standardize software and hardware in more than 200 embassies, consulates and missions worldwide. It will also provide an infrastructure for the proposed State Messaging System (SMS). The contract is the agency's first major step toward a distributed multivendor system.

4. The Department of State is at the center of a heated debate on international encryption policy. The State Department and the National Security Agency (NSA) have recently approved a key-escrow encryption scheme developed by Trusted Information Systems, Inc., with the requirement that a key for unlocking encrypted data be stored at a data recovery center where department officials could access it. Many have objected to this scheme. Corporations do not welcome the ability of the government to read their data, and foreign countries are not likely to buy a security feature that lets the U.S. listen in.



## **On-Line Information Resources**

The Department of State maintains a World Wide Web site accessible at "http://www.state.gov". This site contains information on departmental activities and the State Department's role in current events, as well as briefing transcripts and daily press releases. The focus of this site is the Department of State Foreign Affairs Network (DOSFAN), which provides updated information on passport issuance, visas and travel advisories.

For potential vendors interested in business opportunities, the Department of State's electronic bulletin board system (BBS) may be of more value. The BBS can be accessed at (703) 812-2510. Although currently in the developmental stage, this system offers updated acquisition information and

solicitation documents for various programs. The State Department plans to place most of its current IT procurements on this BBS shortly.

## **Major Points of Contact**

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### **Chief Information Officer**

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# Agency Profile

A Publication from INPUT's Federal IT Market Analysis Program

Vol. II, No. 9

May 1996

## Tennessee Valley Authority

### Purpose

The Tennessee Valley Authority (TVA) is the federal corporate agency that conducts a unified program of resource development for the advancement of economic growth in the Tennessee Valley region. The Authority's activities to this end include flood control, navigation development, electric power production, fertilizer development, recreation improvement and forestry and wildlife development.

### Organization

The Tennessee Valley Authority is a wholly-owned government corporation created by the Tennessee Valley Authority Act of May 18, 1933 (16 U.S.C. 831-831dd).

All functions of the Authority are vested in its three-member Board of Directors, the members of which are appointed by the President with the advice and consent of the Senate. Appointments are for nine-year staggered terms with one term expiring with each three-year interval. The President designates one member as chairman. The Board has sole authority for determining the rates which TVA charges for power.

Responsible for the daily activities of the Authority, the Executive Committee reports to

the Board of Directors and is comprised of the Senior Vice President and General Counsel, the Chief Operating Officer, the Chief Nuclear Officer and President, the Chief Financial Officer and the Chief Administrative Officer.

The Tennessee Valley Authority carries out its mission through its Knoxville, TN headquarters, its Washington, DC branch and regional offices in the area which it serves, including most of Tennessee, northern Alabama, northeastern Mississippi, southwestern Kentucky and in small portions of Georgia, North Carolina and Virginia. Subject to certain minor exceptions, TVA may not without specific act of Congress enter into contracts which would have the effect of making it or its distributors a source of power supply outside the area for which TVA was the primary source of power as of July 1, 1957.

The Tennessee Valley Authority is currently headed by Chairman Craven Crowell, appointed by President Clinton in 1993, and employs approximately 16,500 people. This employment figure has not significantly changed from its September 1995 level of 16,560 people.

The organizational structure of the Tennessee Valley Authority is presented in Exhibit 1.

## Agency Organization

Chairman

Directors

- Chief Operating Officer
- Chief Nuclear Officer and Nuclear President
- Chief Administrative Officer
- Chief Financial Officer
- Communications
- General Counsel
- Inspector General

Source: Carroll Publishing 1996

## Program Activities

Below are the primary activities of the Tennessee Valley Authority, generally distinguishable between power and nonpower programs.

### *a. Power Generation*

The Tennessee Valley Authority is the wholesale power supplier for over 160 local municipal and cooperative electric systems serving approximately 7.3 million customers in parts of seven states. It supplies power to several federal installations and industries whose power requirements are large or unusual.

TVA is the largest power corporation in the U.S., producing more than 130 billion kilowatt-hours of electricity per year. The Authority's power generating facilities include 29 hydroelectric plants, 11 coal-fired plants, four gas turbine plants, five nuclear plants and one pumped storage hydroelectric facility. U.S. Corps of Engineers dams in the Cumberland Valley and Aluminum Company of America dams are operated in coordination with TVA's mission.

### *b. Waste Disposal*

Nuclear waste disposal is a significant activity derived from TVA's power generation. The Nuclear Waste Policy Act of 1982 provides that the federal government has the responsibility for the permanent disposal of

spent nuclear fuel, but charges each nuclear power system with the responsibility for the cost of such permanent disposal. TVA presently has the capability to store its spent fuel at the Sequoyah and Browns Ferry plants through the years 2004 and 2007, respectively, and at the Watts Bar plant until 2018.

### *c. Transmission*

TVA power travels across 17,000 miles of wholly-owned and maintained transmission lines. The Tennessee Valley Authority also owns and maintains an extensive telecommunications network to enable automated process control over its transmission and generating facilities and to provide internal voice and data flow.

### *d. Economic Development*

In economic and community development programs, the Authority provides technical assistance in areas such as industrial development, regional waste management, tourism promotion, community preparedness, and vanpool organizations. It works with local communities and groups to develop maximum use of available area resources. Working with regional learning centers, businesses and industries, the agency has identified skills that are needed in the high-technology job market and has set up training centers.

### *e. Environmental Research*

At Muscle Shoals, AL, the Authority operates a national laboratory for the development of new and improved fertilizers and fertilizing processes. Research results are made available to industry. Fertilizers produced in the demonstration facilities are distributed for use in research and educational programs, principally farm test demonstrations and demonstrations conducted through cooperative and wholesale fertilizer distributors. It also conducts a major bio-energy research program.



In cooperation with other agencies, the Authority also conducts research and development programs in forestry, fish and game, watershed protection, health services related to its operations and economic development of Tennessee Valley communities.

*f. Land and Water Management*

The Tennessee Valley Authority is responsible for the stewardship of some 250,000 acres along 11,000 miles of shoreline. Land owned by TVA includes narrow bands of shoreline used to maintain its dams and lakes and to control flooding. The Authority manages 160 public recreation areas, the use of which contributes approximately \$1.25 billion to the region annually.

In the western parts of Kentucky and Tennessee, the Authority operates Land Between the Lakes, a demonstration project in outdoor recreation, environmental education and natural resource management.

*g. Flood Control and Navigation*

TVA manages 50 dams on the Tennessee River and its tributaries to control flooding and enable the transportation of approximately 48 million tons of cargo annually.

*h. Clean Water Initiative*

In 1994, TVA began its Clean Water Initiative. This program attempts to protect and improve water quality and aquatic life in the Tennessee River system by monitoring water conditions and assigning teams of scientists and engineers to identify pollution problems in specific watersheds.

## Program Budget

The Tennessee Valley Authority receives federal funding to fulfill its mission from three primary sources—appropriations by Congress, proceeds available from current power operations and borrowings against future power revenues, as well as proceeds available from nonpower programs. Only the power program and fertilizer introduction program are intended to be self-supporting. The net expense of nonpower programs is covered largely by appropriation funding.

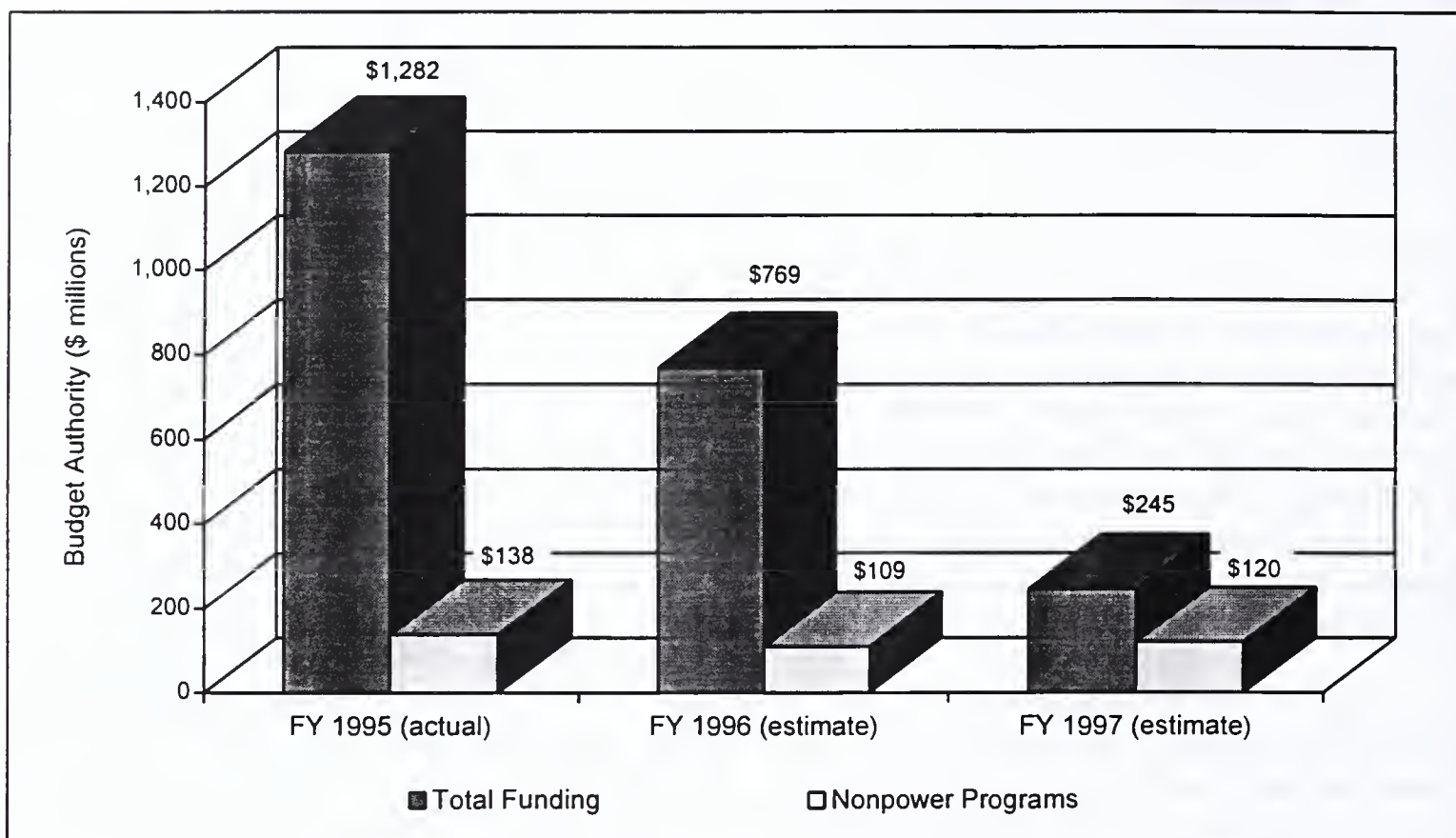
Total federal funding for the Tennessee Valley Authority is expected to dramatically decrease from \$1.3 billion in fiscal year 1995 to an estimated \$245 million in fiscal year 1997. These figures reflect combined funding for nonpower programs and TVA's authority to borrow federal funds for its energy program, used primarily for capital spending and construction activities. The sharp decline is attributable to the completion of several nuclear construction projects, notably at Browns Ferry, and the creation of plant scrubbers to comply with the federal Clean Air Act.

Budgetary allocations for the Authority's nonpower or economic development programs have remained relatively constant, with federal funds estimated at \$120 million in fiscal year 1997, down slightly from \$138 million in fiscal year 1995. Approximately 70% of this figure is to be spent on water and land management in FY 1997, including the Land Between the Lakes project. Economic development initiatives are expected to absorb \$16 million of the nonpower program budget, while the Environmental Research Center in Muscle Shoals, AL will absorb \$17 million.

The program budget for the Tennessee Valley Authority is presented in Exhibit 2.

Exhibit 2

### Program Budget of the Tennessee Valley Authority



Source: Budget of the United States Government FY 1997, February 5, 1996

### Information Technology Budget

As a quasi-governmental agency, the Tennessee Valley Authority does not prepare an information technology budget for the Office of Management and Budget. Therefore, no account of TVA's IT spending is available. The Authority has historically spent most of its IT dollars on professional and network services to support its power programs, as well as central PC and peripheral buys to support all of TVA's activities. The agency spends approximately \$37 million per year on information technology, including expenditures for its power program.

### IT Contract Opportunities

The major Tennessee Valley Authority acquisitions summarized below are currently active:

*a. TVA Workstation Pact*

The Authority is recompeting a contract for workstations, PCs and software. The requirement calls for the maintenance of existing Sun systems, an upgrade of Sun services and the purchase and maintenance of new UNIX-based workstations and servers.

*b. Information Technology Technical Services*

The Tennessee Valley Authority will acquire professional IT services in support of all business and technical functions as requested by power and nonpower organizations within TVA.



*c. ADP Equipment, Software Supplies and Support*

TVA intends to establish a systems contract to supply PCs, software, peripherals and accessories. Since requirements have expanded, this opportunity is to replace the current Personal Computer Hardware and Accessories Accelerated Delivery Schedule award.

## Top Contractors and Contracts

A list of the top IT contractors with the Tennessee Valley Authority is provided in Exhibit 3. This data is based on contract actions filed with the Federal Procurement Data Center at GSA. Exhibit 4 provides a brief overview of the major active IT contracts at TVA.

### Exhibit 3

#### Top Contractors at the Tennessee Valley Authority 4QFY94–3QFY95

1. Westinghouse Electrical Corporation
2. Bechtel Corporation
3. Performance Controls
4. Bell Atlantic Business Systems
5. General Electric
6. Oracle Corporation
7. Ore International
8. Cataract, Inc.
9. Raytheon Engineers & Construction
10. Holtec International

Source: Federal Procurement Data Center

### Exhibit 4

#### Major Contracts at the Tennessee Valley Authority

<u>Program</u>	<u>Type</u>	<u>Size</u>	<u>Description</u>
1. Personal Computer Hardware and Accessories Accelerated Delivery Schedule (ADS)	Hardware/ Software	\$60M 5 yrs.	Concept Automation provides hardware, software and peripherals for use by all organizations within TVA. The contract provides accelerated delivery on items such as word processing and graphics software, DBMS, disk drives, memory boards, networking devices, PCs, printers, systems integration and maintenance.  Awarded in September 1991.
2. TVA Workstation Pact	Hardware/ Software	\$24M 5 yrs.	Sylvest Management System Corporation supplies workstations, PCs and software for the initial phase of a wholesale shift to an open systems, client/server environment. Among the deliverables are UNIX-based hardware, networking and a rewrite of most of TVA's 1,500 applications. TVA anticipates full operation of its client/server environment by the year 2000.  Awarded in July 1992.

Source: INPUT



## Issues at the Tennessee Valley Authority

1. The Tennessee Valley Authority has been plagued with financial problems which, for many, raise questions about the organization's long-term viability in an increasingly competitive environment. A significant component of these difficulties is attributed to capital expenditures amounting to well over \$14 billion on nuclear power facilities that were non-operational until only months ago—expenditures not covered by electricity rates. A recent General Accounting Office (GAO) report asserts that as a result, TVA has far more financing costs and deferred assets than its likely competitors have, which gives TVA little flexibility to meet competitive challenges.

In response to TVA's debts and extensive investments, several recent attempts have been made in Congress to eliminate federal funding for the Tennessee Valley Authority completely. Representative Scott Klug (R-WI) is the driving force behind this effort and strongly advocates the sale of TVA to private and public entities. While no action has been taken on these proposals, criticism of the Authority's practices continues.

In an effort to thwart the eradication of federal funding, TVA Chairman Craven Crowell made several proposals to Congress in March of this year to support a less drastic transition. Crowell's plan calls for operating Land Between the Lakes without any federal money, phasing out its economic development grants and encouraging private firms to back the work done at the Environmental Research Center in Alabama over a three year period.

2. In December of 1995, TVA released *Energy Vision 2020*, a three-volume integrated resource plan that provides information on long-range energy strategies that the Authority can employ as it enters a new era of deregulation and competition in the utility industry. This comprehensive two-year study, which is also an environmental impact statement, describes the planning process that TVA has used to assess energy resource options and alternative strategies.

TVA's primary goals identified in *Energy Vision 2020* are to keep electric rates low, lessen potential environmental impacts, control TVA's debt, encourage economic development and ensure a reliable supply of power throughout the region for the next 25 years. To this end, key recommendations for change are the conversion of the Bellefonte nuclear plant into an alternative fuel source, such as natural gas or coal; the research and development of renewable energy sources, with particular emphasis on wind, biomass and solar energy; and the adoption of demand-side management programs.

3. In April 1996, TVA announced that it will make public a monthly listing of all active contracts at the agency. The availability of this list was prompted by an internal review of TVA contract reporting procedures, which also found that the number of contracts awarded by TVA decreased by more than 15% from 1993 to 1995, and expenditures for contracts were reduced by approximately \$50 million over the same period. The Authority cites the gradual completion of power facilities and increased efficiency as the primary attributes to these figures. The contract list is available in TVA's corporate library in Knoxville, TN or by calling John Moulton, Media Relations (423) 632-8048 or (423) 632-6000.

4. Pursuant to a congressional request, a recent GAO report calls into question the impact of TVA's economic development assistance to the region. While most would agree that the Tennessee Valley Authority has contributed significantly to the region in terms of employment and the provision of utilities, no study exists that establishes a strong causal link between the Agency's economic development assistance and positive economic effects beyond specific projects and particular locations. According to the report, the lack of definitive research is due to the difficulty of linking a program's impact on economic improvements and isolating its effects from other causes.

## On-Line Information Resources

The Tennessee Valley Authority maintains a World Wide Web home page accessible at <http://www.tva.gov>. This page is primarily a public relations site offering information on the history and business practices of TVA.

Biographies of the Directors are also available, as well as their public speeches. General inquiries related to organizational and program activity matters can also be sent via e-mail to [tvainfo@mhs-tva.attmail.com](mailto:tvainfo@mhs-tva.attmail.com).

## Major Points of Contact

### Chairman

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# Agency Profile

A Publication from INPUT's Federal IT Market Analysis Program

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## U.S. Postal Service

### Purpose

The mission of the United States Postal Service (USPS) is to provide reliable mail processing and delivery services to individuals and businesses within the United States. The USPS is committed to serving customers through the development of efficient mail-handling systems and operates its own planning and engineering programs. It is also the responsibility of the Postal Service to protect the mail from loss or theft and to apprehend those who violate postal laws.

### Organization

The Postal Service is an independent establishment of the executive branch funded mostly through collections from businesses and consumer users of postal services. It was established, as we know it today, by the Postal Reorganization Act of August 1970 (39 U.S.C. 101) and commenced service on July 1, 1971.

All functions of the U.S. Postal Service are vested in its 11-member Board of Governors. Nine members, the Governors, are appointed by the President with the advice and consent of the Senate. Governors serve staggered nine-year terms and no more than five may belong to the same political party. The Postmaster General, who serves as the chief

executive officer of the Postal Service and appoints all of its officers, is appointed by the Governors. These ten members, in turn, appoint the Deputy Postmaster General who serves at the discretion of the Postmaster General.

The nine Governors alone approve postal rates and classification changes following a recommendation by the Postal Rate Commission, an independent organization. The entire 11-member Board determines when rates and classification changes become effective.

The Postal Service carries out its mission through its Washington, DC headquarters and its more than 39,000 post offices throughout the United States. These offices are classified into ten area operations, which are Allegheny, Great Lakes, Mid-Atlantic, Mid-West, New York Metro, Northeast, Pacific, Southeast, Southwest and Western.

The Postal Service is currently headed by Chairman of the Board Tirso del Junco and employs approximately 858,000 people nationwide, a level not significantly changed from approximately 838,000 in 1995. Less than 1% of Postal Service employees are located at its Washington, DC headquarters.

The organizational structure of the Postal Service is presented in Exhibit 1.

## Agency Organization

- Board of Governors
- Postmaster General
- Deputy Postmaster General
  - Chief Postal Inspector
  - Corporate Relations
  - Labor Relations
  - Human Resources
  - Information Systems
  - Chief Operating Office
    - Engineering
    - Facilities
    - Operations Support
    - Operations Redesign
    - Purchasing and Materials
  - Finance
  - General Counsel
  - Diversity Development
  - Marketing
  - Consumer Advocate
  - Quality

*Source: Carroll Publishing 1996*

## Program Activities

Below are the primary activities of the U.S. Postal Service:

### *a. Postal Inspection Service*

The United States Postal Inspection Service is the federal law enforcement agency which has jurisdiction in criminal matters affecting the integrity and security of the mail, and it operates as the Inspector General for the Postal Service. Postal Inspectors enforce more than 100 Federal statutes involving mail fraud, mail bombs, child pornography, illegal drugs, mail theft and other postal crimes, as well as being responsible for the protection of all postal employees. Inspectors also audit postal contracts and financial accounts.

### *b. Employee and Labor Relations*

The Postal Service is the only federal agency whose employment policies are governed by a process of collective bargaining under the National Labor Relations Act. Labor contract negotiations, affecting all bargaining unit personnel, as well as personnel matters involving employees not covered by collective bargaining agreements, are administered by the Labor Relations or Human Resources divisions of the Postal Service.

### *c. Customer Cooperation*

In order to expand and improve service to the public, the Postal Service is engaged in customer cooperation activities, including the development of programs for both the general public and major customers. The Consumer Advocate, a postal ombudsman, represents the interest of the individual mail customer in matters involving the Postal Service by bringing complaints and suggestions to the attention of top postal management and solving the problems of individual customers. To provide postal services responsive to public needs, the Postal Service operates its own planning, research, engineering, real estate and procurement programs specially adapted to postal requirements and maintains close ties with international postal organizations.

### *d. Information Systems*

The Information Systems division of the Postal Service provides computing and telecommunications resources and support to its employees. This division is in charge of the USPS's priority objective to build an interoperable information technology infrastructure that is flexible, universal and user-friendly. The infrastructure is to be integrated with current and future automation and processing systems so the Postal Service can both support and grow with the changing needs and demands of its customers.



*e. Engineering, Research and Development*

The Engineering division develops and implements technologies designed to improve the efficiency of mail processing and delivery services. Among the major developments of this division are multi-line optical character readers (OCRs), which read the entire address on an envelope, assign a barcode to the envelope and sort it at a rate of more than nine per second. Wide area barcode readers can decipher a barcode anywhere on a letter or package. Advanced facer-canceler systems face, cancel and sort mail. Finally, the remote barcoding system (RBCS) provides barcoding for handwritten script mail which cannot be read by OCRs.

## Program Budget

The Postal Reorganization Act of 1970 established the Postal Service as a fully self-sufficient, independent entity. Postal revenues were to cover the full costs of postal operations. However, the USPS receives taxpayer subsidies and congressional appropriations, which over time Congress has attempted to reduce. Effective in 1986, the

Postal Service was included in the congressional and executive budget process.

Today, Postal Service activities are financed through five sources: 1) mail and services revenue, 2) reimbursements from federal and nonfederal sources, 3) proceeds from borrowing, 4) interest from U.S. securities and other investments and 5) congressional subsidies.

With only a few exceptions, budget allocations within the U.S. Postal Service are expected to increase significantly from fiscal year 1995 to fiscal year 1997, with growth rates well over ten percent for many program activities. Of particular significance is the budget for research and development, expected to rise 37% from FY 1995 to FY 1997, and for administration and area operations, expected to rise 53% during the same period. A major exception to this trend is the amount appropriated for service-wide expenses, which is anticipated to decline 58% from \$830 million to \$347 million. The program budget for the Postal Service is presented in Exhibit 2.

Exhibit 2

### Program Budget of the U.S. Postal Service

Program Activity	FY 1995 (actual)	FY 1996 (estimate)	FY 1997 (estimate)
Postal Field Operations	\$38,816	\$40,139	\$42,024
Transportation	3,476	3,720	3,945
Building Occupancy	1,166	1,274	1,366
Supplies and Services	1,629	1,882	1,918
Research and Development	52	67	71
Administration and Area Operations	3,824	5,106	5,850
Interest	2,033	1,880	2,064
Service-wide Expenses	830	304	347
Capital Investment	2,229	4,606	2,885
Post Office Workers' Compensation	38	37	36
<b>Total Direct Program Budget</b>	<b>54,093</b>	<b>59,015</b>	<b>60,506</b>

All figures in \$ Millions

Source: Budget of the United States Government FY 1997, February 5, 1996



## Information Technology Budget

The Postal Service does not prepare an information technology budget for the Office of Management and Budget. Therefore, no account of Postal Service IT spending is available. The Postal Service has historically invested heavily in IT to support its function of mail delivery.

The Postal Service spends most of its information technology dollars through the Information Systems and Engineering divisions. The Information Systems division furnishes the Postal Service with computer and telecommunications hardware, software and services. Engineering is responsible for developing, examining and implementing systems that improve the processing and delivery of mail, such as bar code and sorter technologies. The Technology Applications group, established during the Postal Service's restructuring in 1994, also spends significant IT dollars on research activities.

The Postal Service Information Systems division spends roughly \$200 million annually on IT. Furthermore, it anticipates spending \$600 to \$800 million over the next five years on capital investments (mainly hardware). The Engineering division has an annual budget of about \$300 million.

## IT Contract Opportunities

The major Postal Service acquisitions summarized below are in the pre-solicitation stage:

### *a. Acquisition for Desktop Extended Processing Equipment II (ADEPT II)*

The Postal Service has a continuing requirement for PCs, peripherals and

systems software for its office environment. Previously purchased under regional buys, this contract will serve as the second nationwide Postal Service vehicle for acquiring PCs and peripherals.

### *b. Call Management*

This program will provide the USPS with automated call distributor (ACD) equipment for a nationwide automated telephone information answering system. This opportunity is also known as Postal Answer Line.

### *c. Oracle Software Support Services*

The Postal Service is seeking sources to provide life-cycle support services that offer the latest technologies in, among others, application implementation, business process reengineering, custom application development and open system transformation of existing Oracle software applications.

### *d. Worldwide Network Services*

The U.S. Postal Service has a continuing requirement for network support services to post offices worldwide. This program will provide consulting for the design and installation of networked systems.

### *e. Managed Network Services (MNS)*

The managed network services required will expand the Postal Service's current network to provide dedicated dial-up and satellite connections to Postal facilities. The program will also replace existing network routers.

## Major Contracts

As a quasi-governmental agency, the Postal Service is not obligated to observe federal directives, such as Federal Acquisition Regulations and OMB Circulars, and it also has more flexibility in its contracting practices. For example, USPS procurement rules require adequate, rather than full and open competition; permit the USPS to strike a balance between users' needs and vendor access to postal business; and allow contracting officers to limit competition to contractors or items known to be capable of meeting USPS needs.

The USPS Procurement Manual, which defines the agency's procedures, does require that procurements be advertised and announced in the Commerce Business Daily. However, the Postal Service is not required to report contract actions to the Federal Procurement Data Center at GSA.

Exhibit 3 provides a brief overview of the major active IT contracts at the USPS.

## Exhibit 3

## Major Contracts at the U.S. Postal Service

<u>Program</u>	<u>Type</u>	<u>Size</u>	<u>Description</u>
1. Lightweight Handheld Computing Devices	Hardware/ Software	\$6M 5 yrs.	Symbol Technologies provides an estimated 8,800 lightweight, hand-held computing devices used for data collection at the Postal Service. The units aid in the analysis of mail routes for delivery and collection processes.  Awarded in March 1992.
2. Key Entry Services for RBCS	Professional Services	\$260M 4 yrs.	Multiple contractors provide key entry services, supporting telecommunications and facilities for the USPS's remote bar code systems (RBCS) initiative. Video imaging equipment is provided to process and assign bar codes to hand-written mail not able to be processed through the standard automated equipment.  Awarded from May through July 1992.
3. Information Systems Support Services	Professional Services	\$31M 5 yrs.	PRC provides business and information systems development, administrative support, research activities and maintenance in support of seven Postal Service Information Systems Service Centers throughout the nation.  Awarded in October 1993.
4. Central Repair Facility Operation	Professional Services	\$100M 10 yrs.	PRC provides labor, management, technical expertise and materials to facilitate the repair of the Postal Service's automation hardware at the Central Repair Facility in Topeka, Kansas.  Awarded in December 1993.
5. Acquisition for Desktop Extended Processing Equipment (ADEPT)	Hardware/ Software	\$200M 5 yrs.	Digital Equipment Corp. provides the U.S. Postal Service with microcomputers, systems software and peripherals, including printers, disk storage tapes, tape backup units and CD-ROM players for its office environment. This contract serves as the Postal Service's first national IDIQ contract for such deliverables.  Awarded in October 1994.
6. Government Connection Intergovernmental Kiosk Program	Hardware/ Software	\$40M 6.5 yrs.	Digital Equipment Corp., Cordant, North Communications and IBM develop and integrate software to deploy an integrated government services system on a national platform of multimedia kiosks to provide local, state and federal government services to the public.  Awarded from October through November 1995.
7. Information Systems Support	Professional Services	\$70M 5 yrs.	Amdahl provides information systems support to the USPS Production Operations Group. Services performed include systems development, VAX and NT systems support and information security.  Awarded in April 1996.

Source: INPUT



## Issues at the U.S. Postal Service

1. The U.S. Postal Service launched its Global ePOST service in April of 1996. This international electronic-to-hard-copy service allows large volume mailers to transmit an electronic message to a USPS data management center, which routes it to a partner postal facility in another country within hours. The message is then printed, placed in an envelope and delivered via first-class mail to the recipients.

Global ePOST made its debut at the National Postal Forum in Anaheim, California when Xerox Corporation electronically delivered 10,000 marketing letters for next-day delivery by Deutsche Post, AG, the national postal service of Germany. This service, which is expected to generate substantial savings for large volume mailers, will likely be made available to other qualified U.S. businesses later this year.

2. The Postal Service plans to offer an electronic archiving service in response to many who voice concerns about the security of their stored electronic documents. The service is aimed toward federal agencies and their contractors, as well as financial and health organization that do business with the government, and may be the first with such wide-spread potential application.

Although not ready for daily use, a prototype of the service is currently being tested in conjunction with the Federal Aviation Administration (FAA). The Postal Service currently offers its own software to allow users to archive and retrieve documents, but anticipates acquiring archiving software from vendors. The USPS would continue to physically store and electronically stamp the documents.

3. While the Postal Service remains confident that it can achieve its goal of barcoding the entire mail stream by 1998, delays and obstacles continue to hamper this effort. Fourteen years and approximately \$5 billion after initiating the program, the Postal Service continues to receive criticism from the General Accounting Office (GAO). While the USPS claims savings from letter mail automation will reach \$10 billion in this decade, GAO contends savings have been minimal compared to overall labor costs and more difficult to achieve than the Postal Service anticipated.

Many of the current delays stem from the Postal Service's reorganization in 1992, which discontinued much of automation's central management oversight and decentralized decision-making to field operations. In March 1995, the Service established a new Corporate Automation Plan, which has contributed significantly to getting postal automation back on track. Many feel continued efforts are not enough to meet the 1998 goal. Currently, about 70% of the daily 580 million pieces of letter mail is barcoded and processed by automated equipment.

4. The end of April marked yet another Postal Service labor dispute settlement by arbitration with the National Postal Mail Handlers Union (NPMHU). The new four-year labor agreement affects 57,000 employees throughout the nation and provides for 1.2% general increases in salary for the second and fourth years of the contract, as well as lump sum one-time cash payments of 2.78% of an employee's base annual salary in the first year and \$400 in the third.

The central economic dispute between the USPS and the NPMHU involved a request by the union for a phased-in equity adjustment for cost of living increases, in addition to the terms awarded the National Association of Letter Carriers (NALC) and the American Postal Worker's Union (APWU) in previous arbitration decisions. This apparent victory for the NPMHU comes only months after pressure from the APWU forced the Postal Service to use only union employees to handle its remote barcoding systems, which were contracted out previously.

A recent GAO report highlights the persistent labor-management problems within the Postal Service. Three of the four unions involved in the last round of negotiations were unable to reach agreements at the bargaining table and had to be settled by arbitration, and the number of employee grievances filed and referred beyond local management has increased by 31% since 1993.

5. The Postal Service continues to suffer from a loss of market share to private mail carriers, notably in the international arena. Private carriers often provide some mail services that are more dependable, faster and cheaper than those offered by the USPS. In addition to massive automation efforts and Global ePOST, the Postal Service has taken strides to better position itself in the growing \$4.6 billion international postal market.

Historically, the Postal Service's international mail policies were developed by various functional offices at Postal headquarters. In June 1995, a new International Business Unit was established that brought these and other functions together in a larger unit responsible for international mail policies. However, this has not been enough to retain or gain market share. A recent GAO report asserts that legal constraints on how the Service must allocate costs and set postage rates, as well as the length of the typical 10-month process of changing rates, have the effect of reducing the USPS's flexibility in responding to changes in the marketplace. Legislative changes are seen as the only solution the Postal Service's losing battle in international postal competition.

## On-Line Information Resources

The U.S. Postal Service maintains a World Wide Web home page accessible at <http://www.usps.gov>. This site is primarily a public relations site for daily postal news and events, as well as information on rates and local postal consumer information. While not extensive, a link to business opportunities at the Postal Service is available. The USPS Procurement Manual can be downloaded here, which contains basic information on acquisition policies, strategic planning and solicitations. The only IT solicitation currently being posted at this site is for the Managed Network Services (MNS) procurement.

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This Agency Profile is issued as part of INPUT's Federal IT Market Analysis Program. If you have questions or comments on this profile, please call your local INPUT organization or Otto Doll at INPUT, 1921 Gallows Road, Suite 250, Vienna, VA 22182-3900. Tel. (703) 847-6870.



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# Agency Profile

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## U.S. Coast Guard

### Purpose

The U.S. Coast Guard is the primary federal agency with maritime authority for the United States. For the high seas and waters subject to the jurisdiction of the U.S., the Coast Guard enforces or assists in the enforcement of all applicable federal laws; administers, promulgates and enforces regulations and laws for the promotion of safety; develops, operates and maintains aids to maritime navigation, ice breaking facilities, oceanographic research and rescue facilities; and maintains a coordinated environmental program and comprehensive ports and waterways system.

As a branch of the Armed Forces, the Coast Guard maintains a state of readiness to function as a part of the Navy in time of war or under Presidential directive.

### Organization

The Coast Guard, established by act of January 28, 1915 (14 U.S.C. 1), became a component of the Department of Transportation on April 1, 1967, pursuant to the Department of Transportation Act of October 15, 1966 (49 U.S.C. app. 1651 note). The predecessor of the Coast Guard, the Revenue Marine, was established in 1790 as a federal maritime law enforcement agency.

The Coast Guard is headed by the Commandant, appointed by the President with the advice and consent of the Senate, who is aided by the Vice Commandant and the Chief of Staff. Eleven functional offices charged with the operation and daily activities of the U.S. Coast Guard fall under the direction of the Chief of Staff.

The multiple functions of the Coast Guard are carried out through its Washington, DC headquarters, ten regional district offices that report directly to headquarters and various local offices. Regional and local Coast Guard units fall under either the Atlantic or Pacific Commands, respectively categorized as COMLANTAREA and COMPACAREA.

The Coast Guard is currently directed by Commandant David E. Kramek and employs approximately 43,300 people, a level not significantly changed from approximately 43,100 in 1995. This current employment figure consists of roughly 6,000 civilian personnel and 37,300 military personnel. Efforts to reduce both military and civilian employment levels are under way pursuant to executive order to the Commandant.

The organizational structure of the U.S. Coast Guard is presented in Exhibit 1.



## Exhibit 1

**U.S. Coast Guard Organization**

Commandant

Vice Commandant

- Civil Rights
- Air Station
- Chief of Staff
  - Acquisition
  - Command, Control & Communication
  - Engineering Logistics & Development
  - Personnel & Training
  - Pay & Personnel Center
  - Health & Safety
  - Navigation Safety & Waterway Services
  - Marine Safety, Security & Environmental Protection
  - Law Enforcement & Defense Operations
  - Readiness & Reserve
  - Chief Counsel

Source: Carroll Publishing 1996

**Program Activities**

Below are the primary functions of the U.S. Coast Guard:

*a. Search and Rescue*

The Coast Guard maintains a system of rescue vessels, aircraft and communications facilities to carry out its function of saving life and property within its jurisdiction. This function includes flood relief and removing hazards to navigation.

*b. Maritime Law Enforcement*

The Coast Guard is the primary maritime law enforcement agency for the United States. It enforces or assists in the enforcement of applicable federal laws and treaties and other international agreements to which the United States is party subject to the jurisdiction of the United States, and may conduct investigations into suspected violations of such laws and international agreements. The Coast Guard works with other federal

agencies in the enforcement of such laws as they pertain to the protection of life and property and in the suppression of smuggling and illicit drug trafficking.

*c. Maritime Inspection*

The Coast Guard is charged with formulating, administering and enforcing various safety standards for the design, construction, equipment and maintenance of commercial vessels of the United States and offshore structures. The program includes enforcement of safety standards on foreign vessels subject to U.S. jurisdiction.

Investigations are conducted of reported marine accidents, casualties, violations of law and regulations, misconduct and negligence occurring on commercial vessels subject to U.S. jurisdiction. Surveillance operations and boardings are conducted to detect violations of law and regulations. The program also functions to facilitate marine transportation by administering vessel documentation laws.

*d. Marine Licensing*

The Coast Guard administers a system for evaluating and licensing of U.S. Merchant Marine personnel. This program develops safe manning standards for commercial vessels. The Coast Guard also maintains oversight and approval authority for the numerous mariner training programs.

*e. Great Lakes Pilotage*

The Coast Guard administers the Great Lakes Pilotage Act of 1960 (46 U.S.C. 216), which regulates navigation services on the Great Lakes.

*f. Marine Environmental Response*

The Coast Guard is responsible for enforcing the federal Water Pollution Control Act (33 U.S.C. 1251) and various other laws relating to the protection of the marine environment.



Program objectives are to ensure that public health and welfare and the environment are protected when hazardous substance spills occur. Under these laws, U.S. and foreign vessels are prohibited from using U.S. waters unless they have insurance or other guarantees that potential pollution liability for cleanup and damages will be met.

Other functions include providing a National Response Center to receive reports of oil and hazardous substance spills, investigating spills, initiating subsequent civil penalty actions when warranted, encouraging and monitoring responsible party cleanups and, when necessary, coordinating federally-funded spill response operations. The program also provides a national strike force to assist federal on-scene coordinators in responding to pollution incidents.

#### *g. Port Safety and Security*

This program is administered by the Coast Guard Captains of the Port. The Coast Guard is authorized to enforce rules and regulations governing the safety and security of ports and anchorages, as well as the movement of vessels and prevention of pollution in U.S. waters. Port safety and security functions include supervising cargo transfer operations, conducting harbor patrols and waterfront facility inspections, establishing security zones as required and the control of vessel movement.

#### *h. Waterways Management*

The Coast Guard has a significant role in the safe and orderly passage of cargo, people and vessels on our nation's waterways. It has established the Vessel Traffic Service system in eight major ports to provide for the safe movement of vessels at all times, but particularly during hazardous conditions, restricted visibility or bad weather. The program's goal is to ensure the safe, efficient flow of commerce. The Coast Guard also regulates the installation of equipment necessary for vessel safety.

#### *i. Aids to Navigation*

The Coast Guard establishes and maintains a navigation safety system that includes lights, buoys, day beacons, fog signals, marine radio beacons, racons and long-range radio navigation aids. Long-range radio navigation aids include loran-C, OMEGA and the Global Positioning System (GPS). Aids are established in or adjacent to waters subject to the jurisdiction of the United States, although OMEGA provides global coverage, and loran-C coverage has been established in parts of the Western Pacific, Europe and the Mediterranean to meet Department of Defense requirements. Other functions related to navigation aids include broadcasting marine information and publishing *Local Notice to Mariners* and *Light Lists*.

#### *j. Bridge Administration*

The Coast Guard administers the statutes regulating the construction, maintenance and operation of bridges and causeways across the navigable waters of the United States to provide for safe navigation through and under bridges.

#### *k. Ice Operations*

The Coast Guard operates the nation's ice breaking vessels, supported by aircraft for ice reconnaissance, to facilitate maritime transportation and aid in prevention of flooding in domestic waters. Additionally, icebreakers support logistics to U.S. polar installations and also support scientific research in Arctic and Antarctic waters.

#### *l. Deepwater Ports*

Under the provisions of the Deepwater Port Act of 1974 (33 U.S.C. 1501), the Coast Guard administers a licensing and regulatory program governing the construction, ownership (international aspects) and operation of deepwater ports on the high seas to transfer oil from tankers to shore.

*m. Boating Safety*

The Coast Guard develops and directs a national boating safety program aimed at the safe operation of small craft in U.S. waters. This is accomplished by establishing uniform safety standards for recreational boats and associated equipment, encouraging state efforts through grants and a liaison program, coordinating public education and information programs, administering the Coast Guard Auxiliary and enforcing compliance with federal laws and regulations relative to safe use and safety equipment requirements for small boats.

*n. Coast Guard Auxiliary*

The Auxiliary is a nonmilitary volunteer organization of private citizens who own small boats, aircraft or radio stations. Auxiliary members assist the Coast Guard by conducting boating education programs, patrolling marine regattas, participating in search and rescue operations and conducting courtesy marine examinations.

*o. Military Readiness*

As required by law, the Coast Guard maintains a state of readiness to function as a specialized service in the Navy in time of war, or as directed by the President. Coastal and harbor defense, including port security, are the most important military tasks assigned to the Coast Guard in times of national crisis.

*p. Reserve Training*

The Coast Guard Reserve provides trained units for active duty in time of war or national emergency and at such other times as the national security requires. In addition to its role in national defense, the Reserve augments the active service in the performance of peacetime missions during domestic emergencies and during routine operations.

*q. Marine Safety Council*

The Marine Safety Council acts as a deliberative body to consider proposed Coast Guard regulations and to provide a forum for the consideration of related problems.

**Program Budget**

With only a few exceptions, the program budget for the United States Coast Guard is expected to remain relatively constant over the next several years. Two such exceptions are the budgetary allocations for boat safety and acquisition and construction activities, expected to increase 41% and 22% from fiscal year 1995 to 1997, respectively.

The increase in anticipated spending on boat safety activities represents a fundamental shift in Coast Guard program efforts from conducting preliminary safety inspections to building knowledge and skills, after finding that more than two-thirds of all boating casualties are caused by human error. Acquisition and construction activities have been boosted as part of the Coast Guard's ongoing effort to improve mission performance and delivery of services to the public.

The program budget for U.S. Coast Guard is presented in Exhibit 2.



## Exhibit 2

## Program Budget of the U.S. Coast Guard

Program Activity	FY 1995 (actual)	FY 1996 (estimate)	FY 1997 (estimate)
Search and Rescue	\$387	\$384	\$391
Aids to Navigation	526	500	513
Marine Safety	331	312	320
Marine Environmental Protection	236	237	242
Environmental Compliance and Restoration	21	21	25
Enforcement of Laws and Treaties	951	954	974
Ice Operations	91	91	94
Port Safety Development	N/A	15	N/A
Boat Safety	32	50	45
Defense Readiness	111	101	104
Acquisition, Construction and Improvements	321	363	392
Research, Development, Test and Evaluation	20	18	20
Reserve Training	64	62	66
Emergency Relief	50	50	50

All figures in \$ Millions

Source: Budget of the United States Government FY1997, February 5, 1996

## Information Technology Budget

As an agency within the Department of Transportation, the Coast Guard is not obligated to report its own information technology (IT) budget for the Office of Management and Budget, nor is the Department of Transportation required to do so on behalf of the Coast Guard. Therefore, no detailed account of the Coast Guard's IT budget is available. Typically, however, the Coast Guard has spent moderately on IT to support its electronics and engineering centers, as well as navigation and communication systems.

For fiscal year 1997, the Coast Guard has allocated \$412 million for capital investments in its vessels, aircraft, boat

fleets and related equipment, as well as shore facilities and information management resources. Of this amount, the Coast Guard has allocated roughly \$20 million for research, development, test and evaluation of new technologies and materials relating to the improvement of mission performance. It is anticipated that the Coast Guard will spend approximately \$190 million total in fiscal year 1997 on information technology, of which roughly 80% has historically been contracted out.



## IT Contract Opportunities

The major Coast Guard acquisitions summarized below are currently active:

*a. Operations Research and Analysis Decision Support System (OR&A/DSS)*

The Coast Guard has a requirement for a decision support system to support operating programs and plans in its efforts to provide accurate projections of possible alternative courses of action in operations research and analysis.

*b. Vessel Traffic Services System Integration (VTS 2000)*

Phase II of the Vessel Traffic System will require a configuration of sensors, communication links, personnel and decision support tools that allow the Coast Guard to monitor ports and disseminate information at 17 locations in the U.S.

*c. Operation and Maintenance Services (OMS)*

This program will provide for the operation and maintenance of the Coast Guard's Operations Systems Center (OSC) in Martinsburg, West Virginia. Computer operations and software support for all systems housed at OSC will be acquired.

*d. Standard Workstation IV Contract*

The U.S. Coast Guard has an ongoing requirement for workstations to be used for a variety of applications, including desktop publishing, accessing remote databases, document scanning, text retrieval and electronic mail.

*e. Aviation Logistics Management Information System II (ALMIS II)*

The Coast Guard intends to acquire continued professional services to integrate its current Aviation Computerized Maintenance System (ACMS) and the Aviation Maintenance Management System (AMMIS) for agency-wide flight operations coordination and support.

*f. Pharmacy Management System Software/Hardware Equipment*

The U.S. Coast Guard has a requirement for a commercial off-the-shelf hardware and software system for automated support of specific pharmacy features.

*g. Pollution and Incident Simulation Control and Evaluation System (PISCES)*

Hardware, software and professional services are required to provide the Coast Guard with a prototype simulation tool to assist the National Strike Force Coordination Center (NSFCC) in preparing, conducting and evaluating major pollution response exercises.

## Top Contractors

A list of the top IT contractors with the U.S. Coast Guard is provided in Exhibit 3. This data is based on fiscal year 1995 contract actions filed with the Federal Procurement Data Center at GSA.

Exhibit 3

### Top Contractors at the U.S. Coast Guard FY 1995

1. Unisys Corporation
2. Piquini Management Corporation
3. Computer Sciences Corporation
4. WR Systems, Ltd.
5. Mitre Corporation
6. PRC
7. HJ Ford & Associates, Inc.
8. Soza & Company, Ltd.
9. TASC, Inc.
10. Rockwell International

Source: Federal Procurement Data Center

## Major Contracts

Exhibit 4 provides a brief overview of the major active IT contracts at the Coast

Guard. This information is taken from INPUT's IMPACT database of major IT programs.

Exhibit 4

### Major Contracts at the U.S. Coast Guard

<u>Program</u>	<u>Type</u>	<u>Size</u>	<u>Description</u>
1. Operation and Maintenance of the United States Coast Guard Operations Systems Center (OSC)	Professional Services	\$14M 5 yrs.	Battelle Labs provides computer operations and software support for all computer systems commonly housed at the Operations Systems Center (OSC) in Martinsburg, West Virginia. OSC consists of three primary systems—the Operations Computer Center (OCC), Marine Safety Information System (MSIS) and the Joint Maritime Information Element Support System (JMIE).  Awarded in September 1991.
2. Automated Dependent Surveillance System	Hardware/Software	\$20M 5 yrs.	Raytheon provides automated surveillance systems for use in the Coast Guard's Vessel Traffic Systems and other navigation purposes in Massachusetts.  Awarded in August 1992.
3. Aviation Logistics Management Information System I (ALMIS I)	Professional Services	\$14M 5 yrs.	Technical and Management Services Corp. (TAMSCO) provides preliminary logistical and management support to integrate the Coast Guard's Aviation Computerized Maintenance System (ACMS) and the Aviation Maintenance Management System (AMMIS) for agency-wide flight operations coordination and support.  Awarded in September 1993.
4. Professional Engineering and Technical Services	Professional Services	\$4M 5 yrs.	Science and Technology Corp. provides engineering and technical support for various Coast Guard operations.  Awarded in December 1993.
5. Research, Development, Test and Evaluation of Information Systems and Communication Systems (IS/COMMS)	Professional Services	\$15M 5 yrs.	Ogden Government Services provides information systems engineering, mathematics, statistics, signal processing and voice and data communications for all Coast Guard mission areas. Among the targeted foci are literature search, methodology and technology assessments, Coast Guard program assessment and project planning and management.  Awarded in April 1994.

6. Personnel Management Information System/Joint Uniform Military Pay System (PMIS/JUMPS)	Professional Services	Unk. 9 yrs.	Mneumonics Systems provides software development, testing, implementation and enhancement to integrate the Coast Guard's active duty, retired and reserve personnel database with the JUMPS payroll system. Personnel databases currently run on two Amdahl mainframe computers located at Coast Guard headquarters in Washington, DC.  Awarded in May 1994.
7. Coast Guard Data Network (CGDN)	Network Services	\$11M 10 yrs.	I-Net provides operation and maintenance services for the Coast Guard's replacement data communications network and extends X.25 access to units throughout the Coast Guard. CGDN offers packet switched services for the transfer of data through a combination of leased lines, dial-up modems and Coast Guard-owned equipment.  Awarded in July 1994.
8. Differential Global Positioning System Reference Stations (DGPS)	Hardware/ Software	\$3M 5 yrs.	Ashtech provides ground reference stations to augment the accuracy of the Coast Guard's use of GPS satellite signals for navigation and maritime traffic services.  Awarded in September 1994.
9. Mission Oriented Information Systems Engineering (MOISE)	Hardware/ Software	\$21M 7 yrs.	CSC provides computer hardware, including upgrades, new software and system integration to upgrade the Marine Safety Information System (MSIS). MSIS is a multi-level automated information system that provides support to the operation, management and performance history records of vessels, equipment, facilities and hazardous cargoes.  Awarded in January 1995.
10. Standard Workstation III Project (FEDCAC 106)	Hardware/ Software	\$188M 5 yrs.	Unisys provides the Coast Guard with basic, intermediate and advanced workstations for a variety of applications, including desktop publishing, accessing remote databases, document scanning, text retrieval and electronic mail.  Awarded in June 1995.
11. Surface Search Radars (SSR)	Hardware/ Software	\$5M 5 yrs.	Hughes provides modified nondevelopmental item (NDI) radar systems for use on board Coast Guard and U.S. Navy ships, as well as at Coast Guard Vessel Traffic Services sites. Configurations of single and multiple systems are resident on a single local area network.  Awarded in January 1996.
12. Automated Data Processing and Telecommunication Services (VTS 2000 IV&V)	Professional Services	Unk. 5 yrs.	SETA Corp. provides independent verification and validation (IV&V) services to ensure that Coast Guard Vessel Traffic Service systems meet internal quality standards, as well as functional and performance requirements.  Awarded in March 1996.

Source: INPUT



## Issues at the U.S. Coast Guard

1. The U.S. Coast Guard is continuing its efforts of nationwide downsizing and streamlining in the face of anticipated future budget cuts. Mandated by Presidential directive and internal quality standards, the Coast Guard is to cut 4,000 employees and save \$400 million between fiscal years 1994 and 1998. The first two years of this endeavor witnessed cuts of approximately 2,300 civilian and military personnel, 15 cutters and 14 aircraft, which resulted in savings of roughly \$149 million without altering the structure of the Coast Guard. For fiscal years 1996 and 1997, though employment has actually risen slightly from its 1995 level, the Coast Guard anticipates cutting an additional 1,400 people, three cutters, three aircraft and 23 small boat stations.

Structural changes to the Coast Guard are also on the menu in the immediate future. Washington, DC headquarters will be streamlined by strictly handling Coast Guard administration, policy, planning and resource allocation. Separate commands are being created by moving people away from headquarters, such as the creation of the Engineering and Logistics Center in Curtis Bay, Maryland and the National Maritime Center in Arlington, Virginia. By the end of fiscal year 1997, all Coast Guard operations will be moved off of Governors Island in New York to avoid high property costs, and the Electronics Engineering Center in Wildwood, New Jersey is to be sold to avoid redundancy in loran and radar operations.

2. The Coast Guard's Vessel Traffic Service (VTS) 2000 program has come under fire in an April 1996 GAO report. The purpose of VTS 2000 is to improve the safe and efficient movement of maritime vessels in and

around ports and to protect the environment through the use of remote surveillance sensors at eight ports throughout the U.S. The Coast Guard is considering the construction of new or improved VTS systems in as many as 17 ports, costing an estimated \$260 to \$310 million in federal funds to build and \$42 million annually to operate.

However, GAO claims that the program presents large-scale uncertainties as to the future demand for the system and how much it will actually cost due to a lack of information on how many ports will operate VTS 2000. Furthermore, GAO charges, development plans have not reached the stage of selecting specific components for ports, and at many proposed locations, the economic benefits of installing VTS are unclear.

A critical success factor for the program will be the privatization of VTS, an option that depends on the private sector's ability to fund the system and the Coast Guard's ability to oversee the transition. GAO claims that many potential shareholders believe that the system will be too expensive for their ports, and that existing or alternate systems are sufficient.

3. The U.S. Coast Guard has released its latest *Strategic Information Resource Management Plan* for fiscal year 1996, which outlines in detail the direction for Coast Guard IRM initiatives over the next five years. The Coast Guard envisions that streamlining information technology, thereby improving deliverables to the public and maximizing resource usage, will be a decisive factor in the face of proposed budget cuts and ongoing efforts to downsize.

Seven information management goals are identified to realize the Coast Guard's efforts of streamlining management and operations. The goals are as follows:

- to define new roles and responsibilities for creating, defining and communicating a Coast Guard-wide IT strategy to avoid duplicating initiatives;
- to link information technology with business planning, programming and program evaluation to offer the optimal resource utilization;
- to adopt customer-driven programs and IT performance measures in order to make effective and well-justified expenditures;
- to establish standard tools and techniques for documenting and analyzing business processes to improve efficiency and continuous process improvement;
- to implement improved network standards to allow remote management of agency-wide systems and user desktops;
- to develop a Coast Guard corporate data and applications architecture containing data element descriptions, usage and ownership; and
- to implement standard software life cycle management methodology to maximize the benefits of process improvements.

The Coast Guard's Martin Fish can be contacted at (202) 267-1307 to obtain a copy of the *Fiscal Year 1996 Strategic Information Resource Management Plan*.

## **On-Line Information Resources**

The U.S. Coast Guard maintains a World Wide Web site accessible at "http://www.dot.gov/dotinfo/uscg." This site contains information on agency activities and the Coast Guard's role in current events, as well as information on regional offices throughout the U.S. The Coast Guard home page is primarily a public relations site and currently has no links to business opportunities. To request more information on the Coast Guard and its programs and services, an e-mail address has been established at [bedgar@mailstorm.dot.gov](mailto:bedgar@mailstorm.dot.gov).

## **Major Points of Contact**

### **Commandant**

Admiral Robert E. Kramek  
2100 Second Street, S.W.  
Washington, DC 20593  
(202) 267-2390

### **Director of Information & Technology**

Until July 1, 1996:

Rear Admiral David E. Ciancaglini  
(202) 267-2767

Acting, from July 1, 1996 to August 1, 1996:

Captain David Potter  
(202) 267-2767

As of August 1, 1996:

Rear Admiral John Tozzi  
(202) 267-2767

### **Chief of Public Affairs**

Captain Bud Schneeweis  
(202) 267-1587

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This Agency Profile is issued as part of INPUT's Federal IT Market Analysis Program. If you have questions or comments on this profile, please call your local INPUT organization or Otto Doll at INPUT, 1921 Gallows Road, Suite 250, Vienna, VA 22182-3900. Tel. (703) 847-6870.



# Agency Profile

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## General Services Administration

### Purpose

The General Services Administration (GSA) is the independent federal agency that establishes policy for and strives to provide economical and efficient management of federal property and records. To this end, GSA's tasks include the construction and operation of buildings; procurement and distribution of supplies; utilization and disposal of property; transportation, traffic and communications management and management of government-wide automatic data processing resources.

### Organization

The General Services Administration was established by Section 101 of the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 751).

GSA is headed by the Administrator, appointed by the President with the advice and consent of the Senate, who is aided by the Deputy Administrator and the Chief of Staff. Under the direction of the Administrator, 15 functional offices carry out the primary program activities of the General Services Administration.

Headquartered in Washington, DC, GSA is further comprised of several field offices that report directly to 11 regional offices. Regional

offices and their respective headquarters are presented in Exhibit 1.

Exhibit 1

### GSA Regional Offices

New England Region 1	Boston, MA
Northeast and Caribbean Region 2	New York, NY
Mid-Atlantic Region 3	Philadelphia, PA
Southeast Sunbelt Region 4	Atlanta, GA
Great Lakes Region 5	Chicago, IL
Heartland Region 6	Kansas City, MO
Greater Southwest Region 7	Fort Worth, TX
Rocky Mountain Region 8	Denver, CO
Pacific Rim Region 9	San Francisco, CA
Northwest and Arctic Region 10	Auburn, WA
National Capital Region 11	Washington, DC

Source: GSA

The General Services Administration is headed by acting Administrator David Barram, who is currently awaiting Senate confirmation, and employs approximately 15,100 people. This level is significantly lower than its February 1995 level of approximately 17,000 employees, which is reflective of an ongoing trend to return power and activities to individual agencies away from GSA.

The organizational structure of the General Services Administration is presented in Exhibit 2.



## Exhibit 2

**GSA Organization**

Administrator

Deputy Administrator

Chief of Staff

- Federal Supply Service
- Government-wide Planning, Policy and Leadership
- Federal Telecommunications Service
  - FTS2000
  - Local Telecommunications
- Equal Employment
- Enterprise Development
- Acquisition Policy
- Chief Information Officer
  - Emerging Technology Implementation
  - Information Security
  - Information Technology Integration
  - Resource Management
- Public Buildings Service
- Chief Financial Officer
- General Counsel
- Board of Contract Appeals
- Inspector General
- Congressional and Intergovernmental Affairs
- Public Affairs
- Management Services and Human Resources

*Source: Carroll Publishing 1996***Program Activities**

Below are the primary functions of the General Services Administration:

*a. Acquisition Policy*

While its oversight responsibilities have been consolidated with other offices, the Office of Acquisition Policy reviews major agency acquisition plans, manages the agency's internal system for the suspension and debarment of nonresponsive contractors, manages the Multiple Award Schedule Program and Federal Procurement Data System and aids in development and administration of the Federal Acquisition Regulations (FAR).

*b. Enterprise Development*

The purpose of the Office of Enterprise Development is to promote and facilitate programs and activities that improve opportunities for small, minority and women business owners to participate in GSA contracting nation-wide. To accomplish this, the office plans, implements and evaluates comprehensive agency-wide procurement preference programs, including the Small Business Program, the Women in Business Program, the Minority Business Enterprise Program, the Subcontracting Program and the Mandatory Source Program, among others.

*c. Contract Appeals*

The General Services Administration Board of Contract Appeals (GSBCA) is responsible for resolving disputes arising out of contracts with specified government agencies. The Board is also empowered to hear and decide protests arising out of automatic data processing procurements government-wide. However, the Information Technology Management Reform Act (ITMRA) of 1996 transfers the authority of the GSBCA to hear such protests to the General Accounting Office, which will be the sole administrative forum for information technology protests effective August 8, 1996.

*d. Ethics*

The Office of Ethics is responsible for developing and directing the agency's programs governing employee standards of ethical conduct.

*e. Equal Employment Opportunity*

The Office of Equal Employment Opportunity is responsible for the agency's equal employment opportunity program.

*f. Federal Telecommunications Service*

GSA's Federal Telecommunications Service (FTS) plans, directs and coordinates programs and contracts to provide federal agencies with local and long-distance telecommunications

services. Two major components of the FTS include:

- *FTS2000* The Office of Federal Telecommunications System 2000 (FTS2000) provides common-user, long-distance telecommunications services to the federal government. The FTS2000 program offers integrated voice, data and video telecommunications. It also provides leadership, policy, program direction and program oversight for ensuring a timely and cost-effective program for telecommunications services.
- *Local Telecommunications Services* — This service offers agencies a non-mandatory, low cost vehicle for purchasing local telecommunications services. The service is presently moving forward with an aggregated systems procurement program that replaces local telecommunications systems and upgrades service at selected locations nation-wide.

*g. Government-wide Planning, Policy and Leadership*

The Office of Government-wide Planning, Policy and Leadership has recently been established by the General Services Administration to replace the policy offices in GSA's three main branches—the Information Technology Service, the Public Buildings Service and the Federal Supply Service. As part of an ongoing effort to consolidate GSA's program activities, this office is responsible for the guidance and leadership of information technology, acquisition policy, workplace initiatives, transportation and personal property, real property, the Regulatory Information Service and the Federal Domestic Catalog.

*h. Office of the Chief Information Officer*

While continually being consolidated with the Office of Government-wide Planning, Policy and Leadership, the Office of the Chief Information Officer (formerly the Information Technology Service) currently remains responsible for the administration and coordination of a government-wide program for the management, procurement and utilization of automated data processing equipment and services. It also administers programs to improve federal records and information management practices, and provides information to the public through the Federal Information Center. Major functions of this office are:

- *Information Security* — The Office of the Chief Information Officer provides world-wide support to all government activities conducting sensitive and classified national security, diplomatic and Department of Defense missions. Support services offered include technical expertise, personnel, logistics, training and facilities necessary to manage critical government communications.
- *Emerging Technology Implementation* — The Office of Emerging Technology administers programs that promote the identification, development and use of current and emerging technologies in the federal government. The office also serves as the general program office for the Electronic Commerce, Electronic Mail, Information Technology Accommodations and the Security Infrastructure Program Management Office.
- *Resource Management* — The Office of Resource Management consolidates financial, administrative, planning and communications functions within GSA.



- *Information Technology Integration* — The Office of Information Technology Integration (ITI) provides technical and contracting assistance to all federal agencies through three complementary programs—the Federal Systems Integration and Management System (FEDSIM), the Federal Computer Acquisition Center (FEDCAC) and the Federal Information Systems Support Program (FISSP). This assistance is provided on a reimbursable, nonmandatory basis to agencies utilizing the system.

*i. Federal Information Center Program*

The Federal Information Center Program, a clearinghouse for information about the federal government, assists people with questions about a federal program or agency. Residents of more than 80 metropolitan areas have direct access to the Information Center.

*j. Federal Information Relay Service*

The Federal Information Relay Service (FIRS) serves as an intermediary between hearing individuals and individuals who are deaf, hard of hearing and speech-impaired for nation-wide communications with and within the federal government.

*k. Specialized Data Centers*

The General Services Administration operates several programs that collect and maintain information on equipment of interest to the public and private sectors.

- *Federal Procurement Data Center* — The Center provides information regarding goods and services bought by the federal government. It is a unique source of consolidated information about federal purchases, and the data is readily available through reports prepared by the Center.
- *Federal Equipment Data Center* — The Federal Equipment Data Center operates the Automatic Data Processing Equipment

Data System Program, which collects and maintains information regarding general-purpose processing equipment being used by the federal government.

*l. Domestic Assistance Catalog*

The Federal Domestic Assistance Catalog Program collects and disseminates information on all federally operated domestic assistance programs, such as grants, loans and insurance. This information is published annually in the *Catalog of Federal Domestic Assistance* and is available through the Federal Assistance Programs Retrieval System, a nationally accessible computer system.

*m. Federal Supply Service*

The Federal Supply Service (FSS) offers guidance and service delivery to assure that the federal government's requirements for personal property and administrative services are effectively met at the least overall cost to the taxpayer. Major FSS components include:

- *GSA Advantage!* — The Federal Supply Service provides this on-line buying service exclusively for federal government users and offers a host of commercial items, including wholesale stock items, special order items and Federal Supply Schedule items. Schedule items currently being added to GSA Advantage! include telecommunications and automatic data processing (ADP) supplies, ADP processing equipment, as well as construction and building materials. All GSA supply schedules are expected to be included in this service by the end of fiscal year 1997.
- *Interagency Fleet Management System* — FSS provides motor vehicles and related management services to federal agencies through the Interagency Fleet Management System (IFMS).



- *Personal Property Service* — The Federal Supply Service sells unneeded federal property, transfers it to other federal agencies and donates it to state and local governments and non-profit institutions for public benefit through its personal property program.
- *Travel Service* — FSS manages and has oversight of travel services for all federal employees. Travel arrangements are handled by 140 commercial travel agencies under contract with GSA.
- *Transportation Audits* — The Office of Transportation Audits provides audit services and policy guidance to assure that charges paid by agencies for freight and travel services are both proper and accurate.
- *Freight Transportation Service* — The freight transportation program provides various types of freight services to many civilian agencies, which is supported by an automated tracking and routing system.
- *Customer Service* — The Federal Supply Service is involved in customer support programs to provide assistance in utilizing its services, such as the commercial credit card program and the electronic data interchange (EDI) support program.

#### *n. Public Buildings Service*

The Public Buildings Service (PBS) is responsible for the design, construction, management, operation, alteration, extension and remodeling of federally controlled buildings, owned and leased, in which accommodations for government activities are provided. Executive Order 12512, dated April 12, 1985, gave PBS the responsibility to provide leadership in the development and maintenance of property management information systems for the government. Major functions of the PBS are:

- *Property Management* — The Office of Property Management develops and administers programs to manage and operate government-owned and leased property, including occupancy agreements with client agencies, and provides oversight of delegations of authority to agencies for the operation and management of government-owned and government-operated buildings.
- *Property Disposal* — The Office of Property Disposal develops and administers programs related to the utilization or disposal of excess and surplus real property. The office also directs the development of a national plan to market properties and buildings.
- *Federal Protective Service* — The Office of the Federal Protective Service develops and administers guidelines and standards for uniformed force operations, investigates criminal offenses not involving GSA employees and conducts limited pre-appointments. The Service coordinates with appropriate Federal Emergency Management Agency representatives for security and law enforcement requirements.
- *Commercial Broker* — The Commercial Broker acquires real property through leases and purchases and directs the development of procedures and specifications related to real property acquisitions, including leasing, building purchases and site acquisition.
- *Fee Developer* — The Office of the Fee Developer directs and coordinates the nation-wide operation of the Fee Developer within PBS. This office represents the Fee Developer in agency dealings of national scope with other executive branch agencies, the legislative and judicial branches, as well as other government and private-sector interests.

- *Portfolio Management* — The Office of Portfolio Management coordinates and evaluates the programs, functions and activities of the portfolio management business line at the national level.
- *Business Development* — The Office of Business Development, among others, administers and manages the National Account Executive and Regional Account Manager programs, facilitates the development of strategic partnerships with client agencies and performs research and analysis of PBS' long-term strategic and business direction.

## Program Budget

The General Services Administration receives federal funding to administer its numerous programs that support the agencies within the federal government.

The Federal Buildings Fund finances the activities of the Public Buildings Service. The fund, established in 1975, replaces direct appropriations by using income derived from rent assessments, which approximate commercial rates.

The General Supply Fund finances the general supply, transportation and technology activities of GSA on a reimbursable basis. Legislation was enacted in 1988 to authorize full cost recovery for all supply management,

operating and overhead expenses incurred by agencies other than GSA. Funding for these activities are anticipated to decline sharply over the next several years as many GSA support functions are being transferred back to individual agencies.

The Information Technology Fund was authorized by the Paperwork Reduction Reauthorization Act of 1986 (P.L. 99-500 and 99-591), and consists of the Federal Telecommunications Fund and the Automatic Data Processing Fund.

Federal property resources funds cover the costs involved in moving agencies from valuable underutilized property to facilities more economically suitable to their needs. The sale of these underutilized properties provides significant revenue to the Treasury and typically outweighs relocating costs.

Policy and operations funds provide for government-wide policy, oversight and asset management for various activities, including the Federal Procurement Data Center, Federal Equipment Data Center and the Regulatory Information Service Center.

The program budget for the General Services Administration is presented in Exhibit 3. These figures represent gross funds and do not account for offsetting collections or changes in orders on hand from federal sources, where applicable.

Exhibit 3

### Program Budget of the General Services Administration

Program Activity	FY 1995 (actual)	FY 1996 (estimate)	FY 1997 (estimate)
<b>Public Buildings Service</b>	<b>\$5,084</b>	<b>\$5,567</b>	<b>\$6,202</b>
<b>General Supply and Technology</b>	<b>3,118</b>	<b>2,907</b>	<b>2,946</b>
<b>Office of the Chief Financial Officer</b>	<b>1,688</b>	<b>1,602</b>	<b>1,574</b>
Selected Operating Expenses:			
Information Security Management	46	51	51
Information Technology Applications	7	8	6
ADP Technical Services	485	710	720
Selected Capital Investments:			
ADP Technical Services	1	2	2
<b>Federal Telecommunications Service</b>			
Selected Operating Expenses:			
FTS2000	747	696	619
Local Telecommunications Services	249	230	236
Selected Capital Investments:			
FTS2000	1	2	2
Local Telecommunications Services	33	72	73
<b>Federal Property Resources</b>	<b>1</b>	<b>3</b>	<b>3</b>
<b>Policy and Operations</b>	<b>285</b>	<b>124</b>	<b>114</b>
<b>Consumer Information Center</b>	<b>5</b>	<b>6</b>	<b>6</b>
<b>Office of Inspector General</b>	<b>33</b>	<b>34</b>	<b>35</b>

All figures in \$ Millions

Source: Budget of the United States Government FY1997, February 5, 1996

## Information Technology Budget

With only a few exceptions, the information technology (IT) budget of the General Services Administration is expected to grow moderately over the next five years. The compound annual growth rate (CAGR) for most of the categories shown is between 4% and 7%.

A major exception to this is the growth rate for software purchases, which is anticipated to show a compound annual growth rate of

17% from 1996 to 2001. This is largely attributable to the massive increase in commercial off-the-shelf (COTS) software purchases, as well as the establishment of several experimental laboratories and pilot systems to aid other agencies in coping with IT advancements.

Another notable exception to GSA's moderate growth rates is the budget for personnel, anticipated to decline 6% annually from 1996 to 2001. This trend is directly related to GSA's efforts to reduce



employment as more IT functions are being performed by individual agencies.

While the CAGR for processing and telecommunications services is forecasted at negative 6%, it is actually anticipated to show moderate growth from 1997 to 2001. The 1996 budget of \$19 million for services of this nature is anomalously high, compared to a budget of

\$10 million in 1995. This anomaly significantly decreases the compound annual growth rate. The CAGR for GSA's total IT spending over the period shown is 5%.

The information technology budget of the General Services Administration is provided in Exhibit 4.

Exhibit 4

### Information Technology Budget of the General Services Administration

Category	1996	1997	1998	1999	2000	2001	CAGR 1996- 2001
<b>Equipment:</b>							
Capital Purchases	\$85	\$89	\$93	\$97	\$103	\$110	5%
Other Purchases and Leases	6	6	6	7	7	7	4%
<b>Total Equipment</b>	<b>91</b>	<b>95</b>	<b>99</b>	<b>104</b>	<b>110</b>	<b>118</b>	<b>5%</b>
<b>Software:</b>							
Capital Purchases	7	12	13	14	15	16	18%
Other Purchases and Leases	1	1	1	1	1	1	6%
<b>Total Software</b>	<b>8</b>	<b>13</b>	<b>14</b>	<b>15</b>	<b>16</b>	<b>17</b>	<b>17%</b>
<b>Services (Processing and Telecom.)</b>	<b>19</b>	<b>11</b>	<b>11</b>	<b>12</b>	<b>13</b>	<b>14</b>	<b>-6%</b>
<b>Support Services</b>	<b>1,583</b>	<b>1,510</b>	<b>1,631</b>	<b>1,778</b>	<b>1,955</b>	<b>2,170</b>	<b>7%</b>
<b>Supplies</b>	<b>41</b>	<b>42</b>	<b>44</b>	<b>46</b>	<b>49</b>	<b>52</b>	<b>5%</b>
<b>Personnel</b>	<b>170</b>	<b>169</b>	<b>162</b>	<b>153</b>	<b>140</b>	<b>126</b>	<b>-6%</b>
<b>Contracted Out Portion of IT Budget</b>	<b>1,701</b>	<b>1,629</b>	<b>1,755</b>	<b>1,908</b>	<b>2,094</b>	<b>2,319</b>	<b>6%</b>
<b>Total IT Budget</b>	<b>1,912</b>	<b>1,840</b>	<b>1,961</b>	<b>2,106</b>	<b>2,283</b>	<b>2,497</b>	<b>5%</b>

All figures in \$ Millions

Source: INPUT and GSA

### IT Contract Opportunities

The major General Services Administration acquisitions summarized below are currently active:

#### *a. Federal Information Systems Support Program (FISSP)*

The General Services Administration has several requirements within its FISSP

program to provide various ADP services to federal agencies based on five pre-established FISSP zones, which do not necessarily correspond with GSA Regions. Below are the current FISSP procurements:

- *Facilities Management for the Capital Region*

GSA has an ongoing requirement for facilities management in the Capital Region. Anticipated tasks include facilities planning, technical support, data entry, computer and network systems integration, system software support and other tasks as required.

- *ADP Technical Support Services for Business/Scientific Services*

The Office of the Chief Financial Officer has a requirement for ADP technical support for business and scientific/engineering applications, risk analysis and security audit services in FISSP's Western Region.

- *Software Definition and Design for FISSP Eastern Region*

This program is expected to provide continued software definition and design support for FISSP's Eastern and Central Regions.

- *Facilities Management for FISSP Eastern Region*

The Office of the Chief Financial Officer has an ongoing requirement for facilities management services for federal agencies in the Eastern Region.

- *Facilities Management Services for Regions 9 & 10*

GSA has a continued need for facilities management services and support personnel in Regions 9 and 10, the Pacific Rim and Northwest/Arctic Regions, respectively. Functions such as hiring, financial management control and security clearance processing are among the required tasks.

- *FIP Facilities Management Support Services*

This program will provide federal agencies in FISSP's Central Region with

a task order contract for ADP facilities management support. Facilities planning, computer operations, data entry, network operations and software and hardware support from micro-computers to mainframes will be acquired.

- *b. Post-FTS2000 (PF2K)*

The Post-FTS2000 program will provide follow-on telecommunications services to the current FTS2000 contract. This umbrella opportunity will include not only the recompetes of the comprehensive voice, data and video services currently provided by AT&T and Sprint, it will also include smaller, multiple-award contracts for other specialized services. Below are the current Post-FTS2000 procurements:

- *International Direct Distance Dialing (ID3)*

This program will provide outbound international direct dialing services to GSA's consolidated switchboards and other federal agencies from any location in the U.S. Installation, testing, operation, maintenance and direct ordering and billing services are required.

- *Telecommunications Services (TS)*

The TS contract will be used to acquire comprehensive telecommunications services, switched data and value-added network services, as well as wireless services for the federal government on a world-wide basis.

- *Technical and Management Support (TMS)*

The TMS portion of Post-FTS2000 will provide technical and management support services for agencies and program management functions. The scope of service is to provide all telecommunications support, including



engineering and analytical support, as well as customer satisfaction support.

- *Telecommunications Support Contract 2 (TSC2)*

TSC2 will offer various telecommunications technical support services to federal agencies, including long and short-range planning, analytical support, design and engineering support, acquisition support, operations and maintenance support, as well as installation, integration and implementation support.

- *Federal Wireless Telecommunications Services (FWTS)*

FWTS will supply federal agencies with wireless telecommunications services and products throughout the U.S. It will also provide digital, ubiquitous, interoperable, transparent and secure (DUIITS) services.

- *Purchase of Telecommunications Services (POTS)*

The General Services Administration has an ongoing requirement for telecommunications services to be used by GSA consolidated users and exclusive federal agencies in various regions. Three separate yet similar acquisitions are currently underway for the Mid-Atlantic Region (Region 3), the Southeast Sunbelt Region (Region 4) and the Great Lakes Region (Region 5).

Required services will include installation, repair, relocation, alteration and wiring of customer premise equipment and identical government-owned equipment. Required equipment consists of telephone instruments, electronic key systems and miscellaneous telecommunications equipment, such as wiring and cabling.

- *FEDSIM's Data Center Services (FEDCAC 111)*

GSA's Federal Systems Integration and Management Center (FEDSIM) intends to procure a government-wide professional services contract to provide federal agencies a quick, low-cost alternative for obtaining commercial data processing services.

- *ADP Support Services (ADPSS)*

GSA has an ongoing requirement for ADP support services to include system design, configuration, software studies, ADP design, programming, documentation, testing and operations assignments.

## Top Contractors and Spending by State

A list of the top IT contractors with the General Services Administration is provided in Exhibit 5. Map 1 offers a geographic representation of the place of performance for GSA's IT spending. This data is based on fiscal year 1995 contract actions filed with the Federal Procurement Data Center at GSA.

Exhibit 5

### Top Contractors at the General Services Administration FY 1995

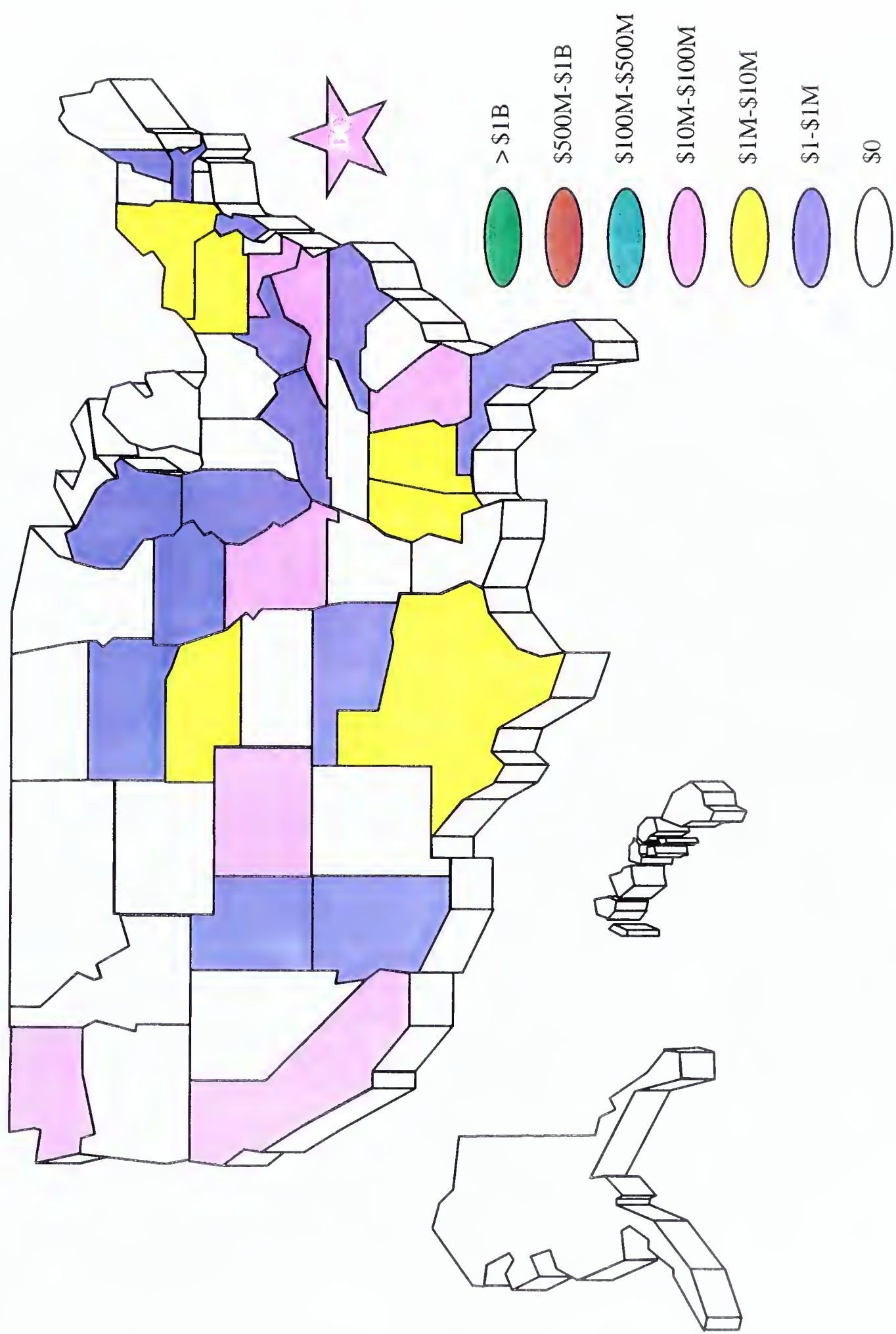
1. AT&T Corporation
2. Ogden Government Services
3. Computer Data Systems, Inc.
4. OAO Corporation
5. Telecommunication Systems
6. Sprint Communications
7. Dyncorp
8. Applied Technology Associates
9. Unisys Corporation
10. CTA, Inc.

Source: Federal Procurement Data Center



MAP 1

TOTAL GSA SPENDING



SOURCE: FPDC, INPUT



## Major Contracts

Exhibit 6 provides a brief overview of the major active IT contracts at GSA. This

Exhibit 6

information is taken from INPUT's IMPACT database of major IT programs.

### Major Contracts at the General Services Administration

<u>Program</u>	<u>Type</u>	<u>Size</u>	<u>Description</u>
1. FTS2000	Network Services	\$25B 10 yrs.	AT&T (Network A) and Sprint (Network B) provide common-user, long-distance telecommunications services for all federal agencies. Services offered include integrated voice, data and video telecommunications.  Awarded in December 1988.
2. Aggregated Switch Systems Program/Local Telecommunications Program (ASSP)	Network Services	\$225M 10 yrs.	GTE, US West, New York Telephone, Bell Atlantic, SWB Communications and Amstar provide nation-wide digital voice and data local telecommunications services and equipment. These contractors provide the latest technology interface with GSA's FTS2000 contract.  Awarded from January 1992 to August 1994.
3. PBS/IS Software Conversion (PBS/IS)	Professional Services	\$100M 9 yrs.	CDSI provides systems design, analysis, development and operation for the Public Buildings Service in an effort to integrate all PBS stand-alone systems.  Awarded in June 1992.
4. Project for the Acquisition of GSA Systems (GSAS)	Hardware/ Software	\$338M 10 yrs.	Unisys provides GSA with mainframe processors, workstations, microcomputers and a digital network to satisfy information processing and internal data communications requirements.  Awarded in June 1992.
5. Telecommunications Support Contract (TSC)	Professional Services	\$36M 4 yrs.	Booz-Allen & Hamilton provides telecommunications planning, requirements analysis, design engineering, program development, acquisition support and operations support to federal agencies on a nation-wide basis.  Awarded in September 1992.
6. Purchase of Telecommunications Services - Region 3 (POTS)	Network Services	Unk. 5 yrs.	Amstar and Communications Resource Management provide installation, repair, relocation, alteration and wiring of customer premise equipment and identical government-owned equipment in the Mid-Atlantic Region.  Awarded in September 1993.



## INPUT Agency Profile

7. FIP Support Services for the Reserve Component Automation System (RCAS FIPS)	Professional Services	\$40M 5 yrs.	EER Systems provides systems integration and related services to the Army's Reserve Component Automation System through GSA's Office of Technical Assistance.  Awarded in December 1993.
8. ADP and Technical Services Support	Professional Services	\$20M 5 yrs.	Diversified Business Technologies and Information Systems Services provide the Office of Regional Telecommunications Services with systems planning, analysis, development and installation.  Awarded in March 1994.
9. Nation-wide Federal Information Center (FIC)	Professional Services	\$19M 5 yrs.	Biospherics provides operations and maintenance of the Federal Information Center, which act as a public clearinghouse for information on the federal government.  Awarded in June 1994.
10. Electronic Acquisition System (EAS)	Hardware/ Software	\$5M 7 yrs.	CACI provides a commercial off-the-shelf acquisition system to support the full range of contracting activities throughout GSA. The system supports remote user access for establishing procurement requests and receiving procurement status updates.  Awarded in July 1995.
11. Purchase of Telecommunications Services - Region 7 (POTS)	Network Services	\$25M 5 yrs.	Tenmark Telecommunications provides installation, repair, relocation, alteration and wiring of customer premise equipment and identical government-owned equipment in the Greater Southwest Region.  Awarded in August 1995.
12. FEDSIM Multiple Award Contracts (FEDSIM)	Professional Services	\$840M 5 yrs.	Advanced Systems Technology, Booz-Allen & Hamilton, CSC, Dynamics Research Corp., VanDyke & Associates, SAIC, SRA and VGS provide federal agencies with a vehicle for purchasing services related to software management and development, satellite and data communications, FIP acquisition support and business process reengineering.  Awarded in December 1995.
13. Technical Support Services for GPS Systems	Professional Services	\$570M 7 yrs.	PRC, Harris, Raytheon and Wilcox provide technical support services for the Federal Aviation Administration and other federal agencies to facilitate the development and implementation of systems used to augment the Global Positioning System.  Awarded in May 1996.

Source: INPUT

## FISSP Contracts

The Federal Information Systems Support Program (FISSP) provides government agencies with access to common information technology services through pre-established

regional contracts, which do not necessarily correspond with GSA Regions. These contracts are funded through the Information Technology Fund and are managed by GSA. Exhibit 7 identifies the current active contracts under this program.

Exhibit 7

### GSA FISSP Contracts

<u>Program</u>	<u>Contractor</u>	<u>Size</u>	<u>Expiration</u>
<b>Capital Region:</b>			
Facilities Management	Metrica	\$38M	September 1996
Software Definition and Design	Ogden Government Services	\$73M	September 1998
Business Applications	OAQ Corp.	\$60M	January 1999
Library and Information Retrieval	Advanced Resource Technology, Inc.	\$1M	August 1999
<b>Central Region:</b>			
Software Definition and Design	Advanced Technology Systems	\$24M	December 1996
Facilities Management	CDSI	\$122M	January 1997
Business/Scientific Applications	Dyntel Corp.	\$157M	September 1999
<b>Eastern Region:</b>			
Software Definition and Design	Advanced Technology Systems	\$24M	December 1996
Facilities Management	Management Technologies, Inc.	\$49M	February 1997
Business Applications	CTA	\$122M	March 1999
<b>Pacific Region:</b>			
Facilities Management	Applied Technology Associates	\$226M	December 1998
Scientific/Engineering Applications	Ogden Government Services	\$140M	November 1999
Business Applications	Ogden Government Services	\$127M	April 2000
<b>Western Region:</b>			
Business/Scientific Applications	CDSI	\$53M	May 1997
Facilities Management	Tri-Cor Industries	\$81M	July 2000

Source: INPUT

## Issues at GSA

1. Both the Federal Acquisition Reform Act of 1996 and the Information Technology Reform Act of 1996, contained in the National Defense Authorization Act of 1996, have ushered in a new era for the General Services Administration in federal IT acquisition and management. This legislation endeavors to return power to individual agencies away from GSA by adopting a decentralized approach to information technology acquisition. The General Services Board of Contract Appeals will also forego its authority to hear IT protests to the General Accounting Office effective August 8, 1996, and the Delegation of Procurement Authority will be dismantled.

Even with the demise of GSA's authority over policy per the Brooks Act, GSA will still be heavily involved in developing regulations to implement the IT management reforms. While agencies are now authorized to go their own way in structuring their information technology environments, GSA will likely work with the Office of Management and Budget (OMB) to establish documents for guiding IT management. Furthermore, the move away from grand designs and large contracts will boost the use of GSA schedules and existing umbrella contracts.

The General Services Administration is expected to pursue three functional areas and have six guiding themes in its new era of federal IT management. Top priorities for GSA will be:

- to develop the FTS2000 follow-on procurement,
- to expand GSA Advantage! and
- to explore innovative contracting approaches for all federal agencies.

Major new themes for GSA will include:

- addressing emerging IT policy issues in the government,
- supporting OMB and selected government-wide IT management committees,
- developing investment tools and architectures in an electronic environment,
- developing and serving as a broker of information about best practices and lessons learned from previous experiences,
- building a network of contacts for sharing information between federal, state and international governments and
- developing federal IT leaders for the future.

2. Even prior to the changing roles of GSA brought about by new acquisition legislation, the General Services Administration has long been working on consolidating its functions and restructuring its activities. In an effort to better meet changing government requirements and changing technology environments, former GSA Administrator Roger Johnson announced his plans in August of 1995 to consolidate the policy offices of the agency's three main branches—the Information Technology Service, the Federal Supply Service and the Public Buildings Service. The ensuing Office of Government-wide Planning, Policy and Leadership was to have oversight of information technology, acquisition policy, workplace initiatives, transportation, personal property and real property for all federal agencies.

When the new office materialized in November 1995, after being delayed a month due to Congressional budgetary stalemates, it all but wiped out the Information Technology Service's oversight of IT policy and direction. ITS's Offices of IT



Acquisition and IT Leadership and Policy were scrapped completely. The Information Technology Service was also renamed the Office of the Chief Information Officer, which technically remains administrator of GSA's internal information technology programs and requirements, as well as existing government-wide IT programs. However, many anticipate this branch to be even further trimmed, leaving only responsibility over GSA's internal IT requirements.

3. With the fundamental restructuring of government technology acquisition and management, GSA has been forced to rethink the value of its various programs and activities aimed at providing effective and efficient IT management and services. Exhibit 8 provides a brief overview of which GSA information technology programs are slated for continued service to federal agencies, and which are to be eliminated or significantly changed in scope.

Exhibit 8

### GSA's Information Technology Programs

#### Programs to Continue

- FTS2000
- Consolidated Local Telecommunications Program
- Federal Systems Integration and Management Center (FEDSIM)
- Federal Computer Acquisition Center (FEDCAC)
- Drop-in Technology Program
- Information Systems Security Program
- Federal Secure Telephone Service
- Federal Information Systems Support Program (FISSP)
- Trail Boss Program
- 1000 X 2000 Program
- Center for IT Accommodations
- Federal Information Processing Multiple Award Schedules Program
- Purchase of Telecommunications Services Contracts (POTS)
- Telecommunications Services Contracts
- Annual Information Resource Management Conference (IRMCO)

Source: GSA and INPUT

#### Programs to be Eliminated

- Information Technology Delegations Program
- Federal Information Resources Management Regulation (FIRMR)
- Federal ADP and Telecommunications Standards Index
- IT Sharing Program
- Government-wide Agency Contracts (GWACs)
- Excess Equipment Program
- Standard Solicitation Documents (SSDs)
- Federal Information Technology Reference Center
- Procurement Management Review Program
- Federal Software Exchange Program
- Inventory Systems

Source: GSA and INPUT

4. GSA and Congress continue to be at odds over the future scope of the Post-FTS2000 network. With one of the solicitations of the follow-on to FTS2000 only a few months away, lawmakers and GSA's Federal Telecommunications Service staff continue to disagree on the duration of the pending contract. GSA proposes a 10-year contract, similar to the existing contract with AT&T and Sprint, while Congress is pushing for a three- to five-year contract to allow greater flexibility and competition brought about by the Telecommunications Reform Act. FTS officials maintain that a five year contract would be unrealistic because of the time required to develop a telecommunications procurement and the time needed to switch traffic to new networks.

5. A recent Government Accounting Office (GAO) report reviews the telecommunications costs of the 140 agencies that use FTS2000 compared to those of the Department of Defense (DOD), GAO, the Federal Aviation Administration (FAA), the Federal Reserve and the U.S. Postal Service, which do not use FTS2000. The report cites mixed results in the efficiency of GSA's common network services.

GSA billed these 140 agencies \$680 million for FTS2000 services in fiscal year 1995, of which 66% was for switched voice services and 25% for dedicated transmission services. Compared with these figures, GAO found that DOD could have saved 75% on switched voice services had it used AT&T's Network A services, but would have paid 8% more on Sprint's Network B. The Department of Defense could also have paid between 8 and 15% less for dedicated transmission services by utilizing either FTS2000 network. GAO, on the other hand, would have paid 15 to 46% more for frame relay services and about the same for video transmission services using FTS2000.

While the telecommunications requirements for these agencies are not equivalent, and thus not completely comparable, GAO's findings raise questions about the efficiency of FTS2000 in certain deliverables.

6. After a long-lived dispute between GSA and Sprint over the latter's FTS2000 switched-voice prices, Sprint recently announced it would cut its prices to 5.9 cents per minute to all federal users. The cut in prices was forced under a GSA ultimatum to narrow the price gap between AT&T's Network A and Sprint's Network B, which amounted to an average difference of 3 cents per minute. Because AT&T continually underbid Sprint, the Department of Treasury's FTS2000 services were switched from Network B to Network A in April of this year. For Sprint's remaining customers—Justice, Labor and the Housing and Urban Development departments—this decrease in traffic has meant even higher rates.

7. The General Services Administration will now look to competitive access providers when it buys local telecommunications services for sites with a high concentration of federal employees. Previously, only regional Bell operating companies (RBOCs) have bid on such buys. The Federal Telecommunications Service announced last month that GSA will structure local-service contracts to be more competitive in nature by allowing more providers to participate.

8. GSA has developed the Federal Acquisition Services for Technology (FAST) program to provide its federal customers with a new avenue for acquiring, delivering and installing integrated IT solutions that focus on deploying a mix of standard, commercially available equipment, software and training products. Typical products available through FAST include systems integration, ADP hardware and software, local area networks, minicomputers and telecommunications equipment. Products



obtained through this program can be integrated with other GSA programs such as FISSP and TSC. Charles W. Hale is the FAST Program Director and can be reached at (817) 334-8374 or by e-mail at [cw.hale@gsa.gov](mailto:cw.hale@gsa.gov).

9. The General Services Administration recently extended the Multiple-Award Schedule Group 70 A contracts for a year, which are now due to expire on September 30, 1997. The Federal Supply Service cited a need for more time to enhance product offerings and ease the transition to GSA Advantage!. Furthermore, since the Federal Supply Service has gained oversight of the Multiple-Award Schedule program, additional time is required to negotiate the anticipated five-year contracts, which are to replace the current one-year contracts.

## On-Line Information Resources

The General Services Administration maintains a World Wide Web home page accessible at <http://www.gsa.gov>. This site contains extensive information on GSA's leadership, various organizations, regional offices, program activities, publications and GSA's role in current events. More than just a public relations site, GSA also offers a host of services and links to business opportunities through its Internet home page. The Consumer Information Center, the Federal Information Center and many program offices within the Office of the Chief Financial Officer are linked here and provide an interactive means to obtain information, services and products.

GSA's IT Policy OnRamp, directly accessible at <http://www.itpolicy.gsa.gov>, offers the latest in IT-related news and events, a directory of IT leaders within GSA and other agencies, as well as acquisition legislation.

Also on-line is GSA Advantage!, which offers a host of commercial items, including wholesale stock items, special order items and Federal Supply Schedule items. Schedule items currently being added to GSA Advantage! include telecommunications and ADP supplies, ADP processing equipment, as well as construction and building materials.

GSA also offers three electronic bulletin boards for access to schedule, publications and DPA information, respectively accessible at (202) 501-7254, (202) 219-0132 and (202) 208-7484. However, much of this information has moved, or is rapidly being moved, to GSA's World Wide Web page.

## Major Points of Contact

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This Agency Profile is issued as part of INPUT's Federal IT Market Analysis Program. If you have questions or comments on this profile, please call your local INPUT organization or Otto Doll at INPUT, 1921 Gallows Road, Suite 250, Vienna, VA 22182-3900. Tel. (703) 847-6870.



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# Agency Profile

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## Department of the Army

### Purpose

The Department of the Army is responsible for organizing, training and equipping active duty and reserve forces for the preservation of peace, security and the defense of the United States. The Army also administers programs that protect and restore the environment and provide disaster relief assistance for federal, state and local government agencies.

### Organization

The National Security Act of 1947 (50 U.S.C. 401) created the National Military Establishment, which designated the Department of War be renamed the Department of the Army. The National Security Act Amendments of 1949 (63 Stat. 578) provided that the Department of the Army be a military department within the Department of Defense.

As with all military departments, the operation and control of the Army are subject to the direction of the President, as Commander in Chief, and the Secretary of Defense. Authority for managing and administering the activities of the Department of the Army is delegated to the Secretary of the Army, who is appointed by the President with the advice and consent of the Senate. The Under Secretary of the Army

is the primary assistant to the Secretary, who is further aided by the Assistant Secretaries, General Counsel, Administrative Assistant, the several Directors and Chiefs, the Auditor General and the Chairman of the Army Reserve Forces Policy Committee.

The Army Staff, presided over by the Chief of Staff, is the military staff of the Secretary which renders professional advice and assistance to all officials of the Army Secretariat. The Army Chief of Staff is the principal military adviser to the Secretary of the Army and is charged by him with the planning, development and execution of all Army programs. The Chief of Staff is also directly responsible for the eight major Army command units.

The Department of the Army is currently directed by Secretary of the Army Togo D. West, Jr. and employs approximately 495,000 active duty military personnel and 266,000 civilian personnel. Both figures represent a 3% reduction from 1995 employment levels, reflective of ongoing Army downsizing. The Army carries out its mission at its Pentagon headquarters in Washington, DC, individual command headquarters, 46 major fort installations throughout the U.S. and at unified command headquarters in Europe, Japan and South Korea.

The organizational structure of the Department of the Army is presented in Exhibit 1.

Exhibit 1

### Army Secretariat Organization

- Secretary of the Army
- Under Secretary of the Army
  - Assistant Secretary (Civil Works)
  - Assistant Secretary (Financial Management and Comptroller)
  - Assistant Secretary (Installations, Logistics and Environment)
  - Assistant Secretary (Manpower and Reserve Affairs)
  - Assistant Secretary (Research, Development and Acquisition)
  - Director of Information Systems for Command, Control, Communications & Computers
  - Army Chief of Staff
    - Director of Army Staff
    - Director of Management
    - Director of Program Analysis and Evaluation
    - Deputy Chief for Intelligence
    - Deputy Chief for Logistics
    - Deputy Chief for Operations and Plans
    - Deputy Chief for Personnel
    - Assistant Chief for Installation
    - Chief of Army Reserve
    - Chief of National Guard Bureau
    - Chief of Chaplains
    - Chief of Engineers
    - Judge Advocate General
    - Surgeon General

Source: Carroll Publishing 1996

## Army Commands

Below are the primary commands within the Department of the Army:

### *a. Information Systems Command*

The Army Information Systems Command provides information systems and services to the Army and other Department of Defense agencies for the purpose of communications, intelligence gathering and dissemination and data processing.

### *b. Forces Command*

The Army Forces Command directs the activities and exercises of all assigned active and reserve Army forces within the continental United States and Puerto Rico. The Command plans for mobilization, coordinates domestic emergency responses and exercises training supervision over the Army National Guard.

### *c. Corps of Engineers*

The Army Corps of Engineers directs and manages the agency's real property activities; manages and executes its engineering, construction and real estate programs; and performs research and development in support of these programs. The Corps is also in charge of the Army's Civil Works Program, which is designed to protect and restore the environment and provide disaster relief assistance for federal, state and local government agencies.

### *d. Medical Research & Materiel Command*

The Medical Research & Materiel Command performs health services for the Department of the Army within the United States and is further responsible for the development of medical doctrine, concepts, organizations, materiel requirements and systems in support of the Army.



*e. Training & Doctrine Command*

The Training & Doctrine Command prepares the Army for war and serves as its architect for the future through six major activities: doctrine development, force design, materiel requirements development, leadership development, training and mission support.

*f. Operational Test & Evaluation Command*

The Army Operational Test & Evaluation Command plans and conducts independent operational tests, evaluations and assessments of Army materiel and information systems to ensure their effectiveness and suitability to Army leadership. The Command also performs field experiments and technology demonstrations in support of the agency's technology base.

*g. Space & Strategic Defense Command*

The Army Space & Strategic Defense Command combines the Army Space Command and elements of the former Strategic Defense Command to direct the Army's strategic defense matters and exploit space and strategic assets.

*h. Materiel Command*

The Army Materiel Command develops and provides materiel and related services to the Army, elements of unified commands, other Department of Defense agencies and to foreign agencies, as directed. Among the goals of the Command are to equip and sustain a trained and ready Army, to develop and acquire non-major systems and equipment and to maintain the mobilization capabilities necessary in emergencies.

*i. Unified Commands*

The Army components of the unified commands support Department of Defense directives and initiatives in international military activities. These components comprise major Army commands and consist

of subordinate commands, units, activities and installations as assigned to them by Army headquarters. Major Army components of the unified commands include: U.S. Army Europe, U.S. Army Japan, Eighth U.S. Army Korea, U.S. Army Western Command, U.S. Army Atlantic Command and the U.S. Army Special Operations Command.

The organizational structure of the major Army commands is presented in Exhibit 2.

Exhibit 2

### Army Command Organization

Chief of Staff

- Information Systems Command
- Forces Command
  - First Army - Fort George Meade, Maryland
  - Second Army - Fort Gillem, Georgia
  - Third Army - Fort McPherson, Georgia
  - Fifth Army - Fort Sam Houston, Texas
  - Sixth Army - Presidio of San Francisco, California
- Corps of Engineers
- Medical Research & Materiel Command
- Training & Doctrine Command
- Operational Test & Evaluation Command
- Space & Strategic Defense Command
- Materiel Command
  - Industrial Operations Command
  - Aviation & Troop Command
  - Communications-Electronics Command
  - Tank-Automotive & Armaments Command
  - Test & Evaluation Command
  - Chemical & Biological Defense Command
  - Missile Command
  - Security Assistance Command
  - Soldier Systems Command
  - Army Research Laboratory

Source: Carroll Publishing 1996

## Program Activities

Below are the primary activities of the Department of the Army:

### *a. Military Operations and Plans*

The Department of the Army carries out the overall roles and missions of the Department of Defense through military ground activities. To this end, the Army determines mid-range, long-range and regional strategy for arms control, disarmament, national security affairs, force mobilization and operational readiness.

### *b. Personnel*

The Army manages military and civilian personnel for integrated support of the agency. It administers policies and programs for manpower utilization standards, career development, equal opportunity, leadership, military housing management, as well as research and development related to training personnel.

### *c. Reserve Components*

The Department of the Army manages individual and unit readiness and mobilization for its reserve components, comprised of the Army National Guard and the U.S. Army Reserve. Army reserve forces currently consist of approximately 230,000 people.

### *d. Intelligence*

The Army manages activities, personnel, equipment, systems and organizations for intelligence and counterintelligence purposes. The agency also coordinates requirements for mapping, charting and geodesy and provides security for its industrial infrastructure.

### *e. Management-Comptrollership*

The Army performs financial, management and administrative review and analysis of its programs and major commands. It administers regulatory policies and programs pertaining to the overall management of the

Army, and legislative policies and programs pertaining to appropriation acts that affect the Army.

### *f. Research, Development and Materiel Acquisition*

The Army conducts research, development and materiel acquisition activities. Activities involve planning, programming, budgeting and execution for the acquisition of materiel, as well as providing materiel life cycle management from concept phase through acquisition.

### *g. Information Management*

The Department of the Army provides information systems and management services to all Department of Defense agencies for automation, communications, audiovisual, records management, publications and information management activities.

### *h. Logistics*

The Army engages in logistical activities for the movement and maintenance of forces, plans and supports Army and joint service operations, offers materiel management and maintenance and provides security assistance and transportation services for all military activities.

### *i. Engineering*

The Army conducts engineering, construction and real property maintenance activities for the welfare of military personnel and environmental preservation. The agency also gathers and disseminates topographic and geographic information and engineers aspects of Army strategic and operational defense plans.

### *j. Civil Functions*

The Department of the Army manages the Civil Works Program, national cemeteries and related activities. The Civil Works Program, headed by the Army Corps of Engineers, provides water resources development and



flood control throughout the U.S. Planning assistance is also provided to states and other non-federal entities for the comprehensive management of water resources, including pollution abatement works.

#### *k. Medical*

The Army provides health services for its personnel and other organizations, as directed. The agency sets health standards for military personnel, provides professional medical training and education, conducts research and materiel development of medical products and manages programs for the prevention and control of disease and environmental pollutants.

#### *l. Inspection*

The agency manages inquiries, inspections and reports on matters affecting the performance of mission and the state of discipline, efficiency, economy and morale of the Department of the Army.

#### *m. Legal Affairs*

Legal advisory services are provided by the Army for all military personnel and agencies of the Army. The Army also administers military justice and civil law matters pertaining to the Army, manages general court-martial and real property records and offers liaison services with the Department of Justice and other agencies on litigation matters and legal proceedings concerning the Army.

#### *n. Public Affairs*

The Department of the Army manages public information, command information and community relations services and programs in support of the Army's basic plans and programs.

#### *o. Military Academy*

The Army administers programs and courses that offer military career training and education, primarily through the United States Military Academy in West Point, New York. Other educational programs include the Army Reserve Officers' Training Corps (ROTC), the Judge Advocate General's Corps, the Army Historical Program and various officer candidate schools.

### **Program Budget**

With only minor exceptions, the program budget for the Department of the Army is expected to decline from fiscal year 1995 to fiscal year 1997, a continuing trend since the creation of the Defense Secretary's Commission on Base Realignment and Closure in 1988.

The fiscal year 1995 budget for the Army provided a total obligation authority of \$63.3 billion, or 24.9% of the total Department of Defense budget. In contrast, the anticipated \$59.8 billion Army budget for fiscal year 1997 translates into 24.6% of the total Defense budget—a declining share of a declining budget.

Decreasing modernization resources are the most notable effect of the downward trend in the Army's budget. Funding for both construction activities and research, development, test and evaluation activities is expected to fall 17% from 1995 to 1997. Similarly, the Army Corps of Engineers will likely lose 7% of its funding over the same time period, from \$3.8 billion in 1995 to \$3.5 billion in 1997.

The program budget for the Army is presented in Exhibit 3. These figures represent gross funds and do not account for offsetting collections or changes in orders on hand from federal sources, where applicable.



Program Budget of the Department of the Army

Program Activity	FY 1995 (actual)	FY 1996 (estimate)	FY 1997 (estimate)
Personnel	\$21,173	\$20,519	\$20,788
Reserve Personnel	2,181	2,125	2,048
Operations and Maintenance	25,271	25,387	24,294
Operations and Maintenance — Reserve and National Guard	2,584	2,583	2,358
Aircraft Procurement	981	1,381	986
Missile Procurement	874	896	796
Weapons and Tracked Combat Vehicles Procurement	1,188	1,733	1,281
Ammunition Procurement	1,032	1,078	926
Other Procurement	2,690	2,779	2,817
Research, Development, Test and Evaluation	6,933	6,211	5,756
Construction	2,929	2,634	2,435
Family Housing	1,198	1,476	1,308
Corps of Engineers	3,809	3,383	3,542

All figures in \$ Millions

Source: Budget of the United States Government FY1997, February 5, 1996

Information Technology Budget

The information technology (IT) budget of the Department of the Army is expected to show only minimal growth over the next five years, and is actually anticipated to decline in some categories. IT support services are likely to show the strongest compound annual growth rate (CAGR) from 1996 to 2001 at 8%, while declining rates are anticipated for software purchases and leases, information management personnel and other capital purchases of FIP resources.

As an integral part of the Army's programs and activities, however, information technology funding will continue to comprise an increasing share of the Army's overall program budget. Also of note is the contracted out portion of the IT budget, which currently accounts for 67% of the total IT budget and is expected to grow to 73% of the total IT budget in 2001.

The compound annual growth rate for the Army's total IT spending over the period shown is 2%. The information technology budget of the Department of the Army is provided in Exhibit 4.

Exhibit 4

## Information Technology Budget of the Department of the Army

Category	1996	1997	1998	1999	2000	2001	CAGR 1996- 2001
<b>Equipment:</b>							
Capital Purchases	\$214	\$214	\$219	\$224	\$231	\$239	2%
Other Purchases and Leases	55	59	60	62	63	66	4%
<b>Total Equipment</b>	<b>269</b>	<b>273</b>	<b>279</b>	<b>286</b>	<b>294</b>	<b>305</b>	<b>3%</b>
<b>Software:</b>							
Capital Purchases	68	58	60	62	64	67	0%
Other Purchases and Leases	22	17	17	18	18	19	-3%
<b>Total Software</b>	<b>90</b>	<b>75</b>	<b>77</b>	<b>80</b>	<b>83</b>	<b>87</b>	<b>-1%</b>
<b>Services (Processing and Telecom.)</b>	<b>227</b>	<b>208</b>	<b>212</b>	<b>217</b>	<b>224</b>	<b>231</b>	<b>0%</b>
<b>Support Services</b>	<b>428</b>	<b>517</b>	<b>538</b>	<b>562</b>	<b>590</b>	<b>623</b>	<b>8%</b>
<b>Supplies</b>	<b>40</b>	<b>43</b>	<b>44</b>	<b>45</b>	<b>46</b>	<b>48</b>	<b>4%</b>
<b>Personnel</b>	<b>493</b>	<b>511</b>	<b>501</b>	<b>486</b>	<b>466</b>	<b>443</b>	<b>-2%</b>
<b>Other FIP Resources:</b>							
Capital Purchases	38	31	32	33	34	36	-1%
Other Purchases and Leases	18	18	18	19	20	21	3%
<b>Total Other FIP Resources</b>	<b>56</b>	<b>49</b>	<b>50</b>	<b>52</b>	<b>54</b>	<b>57</b>	<b>0%</b>
<b>Contracted Out Portion of IT Budget</b>	<b>1,070</b>	<b>1,122</b>	<b>1,156</b>	<b>1,197</b>	<b>1,245</b>	<b>1,302</b>	<b>4%</b>
<b>Total IT Budget</b>	<b>1,603</b>	<b>1,676</b>	<b>1,700</b>	<b>1,727</b>	<b>1,758</b>	<b>1,793</b>	<b>2%</b>

All figures in \$ Millions

Source: Army and INPUT

## IT Contract Opportunities

The Department of the Army is currently pursuing at least 64 major IT contract vehicles. Due to the volume of anticipated programs, the acquisitions summarized below are only those with known values of more than \$50 million and are in the pre-solicitation stage:

*a. Warfighter Information Network (WIN)*  
The Army intends to revamp its battlefield communications systems infrastructure. Commercial ATM switch technology will be

incorporated in the network to increase the capacity and velocity of data dissemination.

*b. Small Multi-User Computer III (SMC III)*  
The Army will acquire commercial off-the-shelf (COTS) multi-user, server and network server computer equipment, software, networking components and technical support services to fulfill ongoing Army, Navy, Air Force and Defense requirements for office automation and networking products.

*c. SETA Research and Development*

The Army Space & Strategic Defense Command intends to acquire systems engineering and technical assistance (SETA) services in support of various mission related tasks and projects.

*d. Personal Computer 3 and 4 (PC3 and PC4)*

The Department of the Army and other Defense agencies have an ongoing requirement for COTS desktop computers, peripherals and operating systems software for sustaining base and theater/tactical users. PC 3 will fulfill the Army's anticipated requirement, and PC 4 will serve as the follow-on.

*e. MACOM Telecommunications Modernization Program (MTMP)*

The Army has a continuing requirement for an integrated turn-key telecommunications switching system cable of supporting its major commands (MACOM) world-wide.

*f. Corps of Engineers Automation Plan (CEAP)*

The Army Corps of Engineers intends to acquire general purpose ADP systems and associated peripherals in support of its field offices, laboratories and divisions nation-wide.

*g. Medical Diagnostic Imaging Support System II (MDIS II)*

The Corps of Engineers has an ongoing requirement for hospital networks and imaging systems that produce, display and archive radiological images and patient data for use in health care delivery.

*h. Army Workstation 2 (WS-2)*

The Information Systems Selection Acquisition Agency (ISSAA) will acquire COTS workstations, peripherals, software and operating systems for use in stand-alone and networked environments world-wide.

*i. Outside Cable Rehabilitation III (OSCAR III)*

The Army will continue to upgrade its Outside Cable Rehabilitation program, a comprehensive effort to implement installation-wide connectivity on posts, camps and stations. Deliverables will include installation, maintenance, training and testing of cable and network interface and computers.

*j. Core Acquisition Management*

The Army has a need for fully integrated acquisition management decision support services in its effort to consolidate the OMNIBUS contracts.

*k. Information Mission Area Support (IMA)*

The Army Information Systems Command has a requirement for scientific engineering services, to include systems, design and integration engineering, as well as test and evaluation support.

*l. Professional Administrative and Management Support Services*

The Army currently plans to acquire three separate contract vehicles for technical and business support services, two to support the National Guard Bureau and the third to support the Software Engineering Directorate. Services will include software definition and design, business applications development, risk analysis and facilities management.

*m. Functional Engineering and Technical Support*

The Army Missile Command intends to acquire functional engineering and technical support services for its missile guidance, sensor, processing and control mission technologies.



*n. Combined Allied Defense Effort (CADE)*

The Army has a requirement for test and evaluation services for the proposed U.S. and Allied candidate systems that could provide an in-flight defense against short range ballistic missiles as part of the Theater Missile Defense (TMD) initiative.

*o. Functional Support Services*

The Army Training & Doctrine Command and the Information Systems Selection Acquisition Agency have two separate, yet similar requirements for functional support services. Areas of support will include embedded multi-media training presentations, force projections and contingency operations.

*p. STAMIS Computer Contract 2 (SCC-2)*

The Program Executive Office of the Standard Army Management Information System (STAMIS) intends to acquire laptops, notebook computers and network file servers to support the Army's battlefield information systems.

*q. Software Development Center - Technical Support Services 4 (SDCL-TSS 4)*

The Army has a need for technical services to support STAMIS ADP applications at Fort Lee, Virginia. Among the requirements are application software systems design, telecommunications, computer operations and 4th generation language engineering.

## Top Contractors and Spending by State

A list of the top IT contractors with the Department of the Army is provided in Exhibit 5. Exhibit 6 lists the top 20 states of performance for the Army's IT spending. Contract actions performed in Washington, DC, Maryland and Virginia comprised 36% of the Army's total spending on IT in 1995. This data is based on fiscal year 1995 contract actions filed with the Federal Procurement Data Center at GSA.

Exhibit 5

### Top Contractors at the Army

**FY 1995**

1. Science Applications International Corporation
2. ITT Corporation
3. Lockheed Martin Corporation
4. GTE Corporation
5. Bell Atlantic
6. General Dynamics Corporation
7. Computer Sciences Corporation
8. Electronic Data Systems Corporation
9. TRW, Inc.
10. Boeing Company

Source: Federal Procurement Data Center

## Exhibit 6

## Top Department of the Army Spending by State

FY 1995

State	IT Spending	State	IT Spending
1. Virginia	\$1,589,969	11. Washington, DC	\$167,501
2. California	\$600,367	12. Pennsylvania	\$158,361
3. New Jersey	\$398,800	13. Alabama	\$149,374
4. Maryland	\$343,802	14. Colorado	\$139,741
5. Massachusetts	\$324,495	15. Mississippi	\$118,997
6. Indiana	\$315,026	16. New York	\$78,139
7. Texas	\$252,274	17. New Mexico	\$58,106
8. Arizona	\$241,554	18. Michigan	\$44,525
9. Florida	\$227,295	19. Missouri	\$41,855
10. New Hampshire	\$188,287	20. Minnesota	\$39,484

*All figures in \$ Thousands**Source: FPDC and INPUT*

## Major Contracts

At least 67 major IT contracts are currently active at the Department of the Army. Due to their volume, the contracts summarized below are only those with known values of more than \$100 million. This information is taken from INPUT's IMPACT database of major IT programs.

## Exhibit 7

## Major Contracts at the Department of the Army

<u>Program</u>	<u>Type</u>	<u>Size</u>	<u>Description</u>
1. Reserve Component Automation System (RCAS)	Professional Services	\$1.6B 12 yrs.	Boeing Computer Services and CSC provide a comprehensive office automation computer network to link over 9,800 Army National Guard and Army Reserve units at 4,700 locations.  Awarded from September 1990 to September 1991.
2. Army Tactical Command and Control System (ATCCS)	Hardware/Software	\$17B Various	Nine contractors provide the Army with handheld and portable computers, peripheral devices and software to develop numerous battlefield command and control systems that share and process data.  Awarded from February 1991 to July 1992.
3. Lightweight Computer Units (LCU)	Hardware/Software	\$430M 11 yrs.	SAIC provides ruggedized, lightweight personal computers for use in the Army's battlefield Common Hardware/Software System.  Awarded in May 1991.
4. Medical Diagnostic Imaging Support System (MDIS)	Hardware/Software	\$352M 8 yrs.	Loral Aerospace provides the Corps of Engineers with hospital networks and imaging systems that produce, display and archive radiological images and patient data for use in health care delivery.  Awarded in September 1991.
5. CONUS Telephone Modernization Program (CTMP)	Network Services	\$573M 10 yrs.	GTE provides engineering, installation, testing and maintenance of a COTS ISDN telecommunications system to upgrade 42 Army sites within the continental United States (CONUS).  Awarded in September 1991.
6. Telecommunications Modernization Program (TEMPO)	Network Services	\$600M 10 yrs.	Bell Atlantic provides a complete digital voice administrative telecommunications system to serve 250 Department of Defense locations in the Washington, DC area.  Awarded in November 1991.
7. Joint Computer Aided Logistics Services (JCALS)	Hardware/Software	\$744M 15 yrs.	CSC provides the hardware infrastructure for the Army's overall CALS program. Deliverables include computer hardware, software, telecommunications equipment and professional services for 11 individual Army CALS projects.  Awarded in December 1991.
8. Missile Command Information Mission Area Support Services (IMA)	Professional Services	\$124M 5 yrs.	Systems Engineering Solutions, Inc. provides support services for automation, telecommunications, visual information and records management at Redstone Arsenal in Alabama.  Awarded in February 1993.



<u>Program</u>	<u>Type</u>	<u>Size</u>	<u>Description</u>
9. Sustaining Base Information Services (SBIS)	Professional Services	\$474M 10 yrs.	Loral Federal Systems provides an enhanced replacement system for the Army's baseline configurations and facilitates the transfer of information processing to an open system environment.  Awarded in June 1993.
10. All Source Analysis System (ASAS)	Professional Services	\$115M 6 yrs.	Lockheed Martin provides systems development and operations support for the central component of the Army Tactical Command and Control System.  Awarded in October 1993.
11. Automatic Identification Technologies (AIT)	Hardware/Software	\$249M 10 yrs.	Intermec supplies scanners, printers and associated peripheral devices to provide the Army with a common baseline of bar-code equipment for tactical and non-tactical applications.  Awarded in March 1994.
12. PEO STAMIS Computer Contract (SCC)	Hardware/Software	\$100M 9 yrs.	Sysorex provides laptops, notebook computers and network file servers to support the Army's battlefield information systems.  Awarded in June 1994.
13. Battle Command Training Program (BCTP)	Professional Services	\$104M 5 yrs.	Logicon provides the Battle Command Training Program with administrative and management support services for computer simulated training exercises.  Awarded in August 1994.
14. Total Army Personnel System 2 (TAPSYS-2)	Professional Services	\$110M 5 yrs.	PRC provides configuration and software development, maintenance and administration for the Total Army Personnel Database.  Awarded in August 1994.
15. Information Mission Area Support (IMA)	Professional Services	\$157M 6 yrs.	SAIC provides the Army with scientific engineering services, including systems, design and integration engineering, as well as test and evaluation support.  Awarded in November 1994.
16. Army Global Command & Control System (AGCCS)	Professional Services	\$167M 5 yrs.	Lockheed Martin provides consolidation of three major Army command and control information systems to enhance interoperability, ensure software and technology reuse and minimize system duplication.  Awarded in December 1994.
17. Personal Computer 1 (PC 1)	Hardware/Software	\$513M 2 yrs.	Sysorex and EDS provide commercial off-the-shelf single user computers for the Army, DOD and civilian agencies.  Awarded in January 1995.

<u>Program</u>	<u>Type</u>	<u>Size</u>	<u>Description</u>
18. White Sands Missile Range - Test Support Network (WSMR-TSN)	Network Services	\$107M 8 yrs.	GTE provides a new fiber optic backbone transmission system and digital user interfaces for the White Sands Missile Range Test Support Network.  Awarded in April 1995.
19. Common Hardware/Software II (CHS II)	Hardware/Software	\$1.2B 15 yrs.	GTE provides hardware, software, professional services and computer processing, storage and display technology to create an integrated system of battlefield processors.  Awarded in April 1995.
20. Small Multi-User Computer II (SMC II)	Hardware/Software	\$902M 3 yrs.	Telos Corporation provides commercial off-the-shelf microcomputer hardware, software, servers, peripherals and installation support to meet general ADP requirements within the Army, DOD and other federal agencies.  Awarded in August 1995.
21. Department of the Army Software Support Services - Umbrella 3 (DASSS-U3)	Professional Services	\$100M 5 yrs.	EDS and SRA provide software analysis, risk management and economic analysis for the Army Information Systems Software Center (USAISSC).  Awarded in September 1995.
22. Professional Administrative and Management Support Services	Professional Services	\$119M 5 yrs.	Telos provides automated battlefield systems support and engineering services for the Army's Software Engineering Directorate.  Awarded in December 1995.
23. Outside Cable Rehabilitation II (OSCAR II)	Professional Services	\$259M 5 yrs.	GTE provides installation, maintenance, training and testing of cable and network interface and computers to implement installation-wide connectivity on Army posts, camps and stations.  Awarded in February 1996.
24. Command, Control and Communications Technology, Engineering and Integration Support (C3 TE&I)	Professional Services	\$371M 5 yrs.	CSC provides systems engineering and integration support for the Army Tactical Command and Control System (ATCCS).  Awarded in March 1996.
25. Major Shared Resource Centers (MSRC)	Professional Services	\$156M 10 yrs.	Nichols Research provides systems integration services to establish complete high performance computing environments at four major Army shared resource centers.  Awarded in March 1996.

Source: INPUT



## Issues at the Army

1. The Army is continuing its battlefield digitization programs to deploy Army XXI, also known as Force XXI, a catch-all concept for a smaller but modernized force capable of decisive victory in the information age. The Army Digitization Office has already launched a digitized experimental force called EXFOR at Fort Knox, Kentucky, Fort Drum, New York and the Joint Readiness Training Center at Fort Polk, Louisiana.

Guiding this and similar developments is the Army's recently developed and approved Army Technical Architecture, the blueprint for its various command and control systems of the future. This set of guiding science and technology principles is also being used as a starting point for Defense-wide interoperability initiatives.

While the Army has initiated several ambitious programs under the Army XXI umbrella, the House National Security Committee is urging more caution in the Army's approach. To increase oversight and accountability, the panel has recommended the advanced warfighting concept be consolidated into a single program with a single funding line. The panel has set aside a total of \$100 million in the Fiscal Year 1997 Defense Authorization Bill for all of Army XXI. The Security Committee also has doubts as to whether the Army can attain its vision even by the year 2023, and has directed the agency to spend \$5 million to study this matter.

2. The Army's Directorate of Information Systems for Command, Control, Communications and Computers (DISC4) is playing an increasingly important role in developing the means by which the Army operates, both in the tactical and strategic arenas. A major emerging trend in the Army's information management practices is the focus on joint Defense requirements and interoperability of IT programs.

Currently, the Army and other DOD agencies still rely heavily on stovepiped systems plagued with ownership issues. While efforts are being made to create seamless systems, which are integrated but technically separate, DISC4 is heading the move toward a concept many have coined InfoSphere. The envisioned InfoSphere, a single, Defense-wide virtual database, will be platform independent with individual management of data elements only, as opposed to individual ownership of systems.

3. The Reserve Component Automation System (RCAS) project of the Army National Guard and Army Reserve has recently undergone a major restructuring after already using \$500 million of its \$1.6 billion budget. Designed to set up the world's largest client/server system, RCAS was awarded to Boeing Computer Services and CSC in 1990 to acquire diskless workstations, Unix servers, two million lines of Ada code and multi-level security functions. Today, requirements have changed to include personal computers, Windows NT, COTS software and the elimination of the proposed security scheme. It is unclear whether these changes will alter RCAS' effectiveness or implementation schedule.

4. A recent GAO report criticizes the Army and the Department of Defense for validating far more Army reserve forces than required under projected war scenarios. Although reserve forces have been reduced from 303,000 to 230,000 over the past five years, GAO contends that only a fraction of these forces are needed for their most common function—that of state emergency relief. Typically, support skills and equipment are needed in such emergencies, rather than combat forces. GAO also maintains that the Army has presented no analytical support for the



argument that current reserves are needed as a deterrent against hostile enemies.

5. Stressing the benefits and pitfalls of increased reliance on information-based systems, the Army has created a new field manual to guide battlefield commanders in future conflicts. Field Manual 100-6 is, in many respects, an academic work with scientific explanations of advanced technologies such as imagery and intelligence collection tools. The manual also proposes the Army's commitment to the synchronization of information and joint interoperability of all Defense systems.

## On-Line Information Resources

The Department of the Army maintains a World Wide Web home page accessible at "<http://www.army.mil>". This site contains extensive information on the Army's leadership, commands, installations, programs and missions. Also provided is the 1997 Army Posture Statement, which highlights the major issues facing the Army and the current status of many of its programs. To sort through the vast number of links provided here, alphabetical indexes are provided by organization name and by subject area.

Of particular note is the World Wide Web site for the Army Information Systems Selection and Acquisition Agency (ISSAA), directly accessible at "<http://issaa-www.army.mil>". This site offers information on current IT contract opportunities and active IT contracts within the Army and other

Department of Defense agencies, as well as links to many related publications. Most of the information from ISSAA's electronic bulletin board system (BBS), accessible at (703) 325-6151, has been already moved to this Web site.

For additional information on IT-related programs at the Army, the Communications Electronics Command (CECOM) has established a BBS accessible at (908) 542-8999. Solicitations and program announcements are posted here regularly. To access the BBS, a personal identification code is required, which can be obtained by calling CECOM at (908) 532-3820.

## Major Points of Contact

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This Agency Profile is issued as part of INPUT's Federal IT Market Analysis Program. If you have questions or comments on this profile, please call your local INPUT organization or Marco de Vries at INPUT, 1921 Gallows Road, Suite 250, Vienna, VA 22182-3900. Tel. (703) 847-6870.

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# Agency Profile

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## Internal Revenue Service

### Purpose

The Internal Revenue Service (IRS), a Department of Treasury organization, is the primary federal agency responsible for collecting the proper amount of tax revenue at the least cost to the public. Additionally, it is responsible for administering and enforcing the internal revenue laws and related statutes, except those relating to alcohol, tobacco and firearms.

### Organization

The Internal Revenue Service was established as the Office of the Commissioner of Internal Revenue by Act of July 1, 1862 (26 U.S.C. 7802) under the auspices of the Department of Treasury.

The Internal Revenue Service is administered by the Commissioner of Internal Revenue, appointed by the President with the advice and consent of the Senate, who is aided by the Deputy Commissioner, the Chief of Staff and eight functional Chiefs. Service organization is designed for maximum decentralization, consistent with the need for uniform interpretation of the tax laws and utilization of resources.

The IRS has three organizational levels: the National Office, the Regional Offices and the District Offices. The National Office, located

in Washington, DC, develops nation-wide policies and programs to administer internal revenue laws and establish the overall direction for the field organizations. The Martinsburg Computing Center in West Virginia and the Detroit Computing Center in Michigan are also part of the National Office.

Seven Regional Offices, each headed by a Regional Commissioner, supervise and evaluate the operations of District Offices, Service Centers and the Austin Compliance Center. The 62 internal revenue districts are each administered by a District Director. Districts may encompass an entire state or a certain number of counties within a state, depending on population.

The Internal Revenue Service is currently directed by Commissioner Margaret Milner Richardson and employs approximately 123,500 people nation-wide, a 5% decrease from its level of approximately 130,000 in April 1995. This reduction in employment is reflective of an ongoing trend to restructure and streamline the Service's administration and activities. Slightly more than 8% of IRS employees are located within the Washington, DC area.

The organizational structure of the Internal Revenue Service is presented in Exhibit 1.



## Exhibit 1

**Internal Revenue Service Organization**

Commissioner

Deputy Commissioner

Chief of Staff

- Chief Headquarters Operations
- Chief Inspector
- Chief Counsel
- Chief Financial Officer
- Chief Taxpayer Service
- Chief Compliance Officer
- Chief Information Officer
- Chief Management and Administration

Regional Offices

- Central — Cincinnati, Ohio
- Mid-Atlantic — Philadelphia, Pennsylvania
- Midwest — Chicago, Illinois
- North Atlantic — New York, New York
- Southeast — Atlanta, Georgia
- Southwest — Dallas, Texas
- Western — San Francisco, California

Source: Carroll Publishing 1996

**Program Activities**

Below are the three primary functions of the Internal Revenue Service and their corresponding activities:

*a. Processing, Assistance and Management*

The IRS processes tax returns and related documents, processes data for compiling statistics of income, assists taxpayers in the correct filing of their returns and in paying taxes that are due, offers overall planning and direction of the nation's internal revenue and manages financial resources and procurement. Major activities include:

- *Submission Processing* — The Service has oversight of all actions associated with the receipt of completed returns and payments, deposit of those payments, processing and accounting for revenue

collections and verification of the accuracy of information provided by the taxpayer through an automated master file system.

- *Taxpayer Services* — The Internal Revenue Service aids voluntary compliance with federal tax laws by informing taxpayers of their responsibilities and by providing information and training through various media.
- *Resource Management Processing* — The IRS provides administrative services for IRS Service Centers, submission processing sites, customer service sites and area distribution centers.
- *Inspection* — To uphold public confidence in the integrity of the Internal Revenue Service, internal audits independently review service programs at the national, regional and local levels to ensure that laws and regulations are being followed, that internal management and financial controls are in place and that programs and major ADP systems are functioning effectively.

*b. Tax Law Enforcement*

The Service examines tax returns and provides administrative and judicial settlement of taxpayer appeals of examination findings. The IRS also prepares and issues regulations and rulings to supplement the provisions of the Internal Revenue Code. Major activities include:

- *Examination* — The IRS encourages voluntary compliance with internal revenue laws through the determination of correct tax liability by the selective examination of tax returns and correction of errors. The Service also provides an administrative review process which offers a channel for case settlement prior to being docketed in a court of law.

- *Counsel* — The Internal Revenue Service engages in independent legal counsel for the correct interpretation of internal revenue laws.
  - *Employee Plans and Exempt Organizations* — The IRS monitors private pension plans to ensure compliance with the Employee Retirement Income Security Act of 1974. It also processes and monitors the status of tax-exempt organizations.
  - *International* — The IRS directs and has policy oversight of enforcement and assistance programs related to U.S. taxpayers conducting business or residing outside the U.S., as well as non-residents with a U.S. tax obligation.
  - *Statistics of Income and Compliance Research* — The agency publishes Statistics of Income reports on the operation of income tax laws for use by Congress and its committees, the Secretary of the Treasury and the Commissioner of Internal Revenue. It also conducts federal statistical research and programs on income, wealth and finance.
  - *Tax Fraud and Financial Investigation* — The IRS enforces criminal statutes relating to violations of internal revenue laws, investigates cases of suspected fraud, recommends prosecution as warranted and assists in the preparation and trial of criminal tax cases.
  - *Collection* — The agency collects unpaid tax accounts and secures delinquent returns, and it develops and implements programs to prevent such delinquent accounts.
  - *Document Matching* — To identify income reporting discrepancies, the IRS processes information returns, such as wage, dividend and interest statements, and matches them with individual income tax returns.
  - *Resource Management, Compliance* — The National and Regional Offices provide administrative services for all IRS field installations.
- c. Information Systems*  
Primarily through its Martinsburg, West Virginia and Detroit, Michigan Computing Centers, the Internal Revenue Service provides for service-wide data processing support, including evaluation, development and implementation of computer systems, software and hardware requirements. Major activities include:
- *Tax Systems Modernization* — The IRS provides for the redesign and acquisition of the basic information systems infrastructure needed to achieve a nationally integrated framework for tax administration operations. This includes implementing a redesigned tax administration system, developing a target architecture and replacing equipment at major field installations.
  - *Modernized Operational* — The Service has oversight of those Tax Systems Modernization programs that have advanced from the developmental phase of activity to an operational mode after service-wide implementation and acceptance.
  - *Services and Compliance* — IRS information systems provide automated support to all processing, assistance, management and tax law enforcement activities.
  - *Support Systems* — Support systems offer automated support for all administrative programs and activities of the Internal Revenue Service, including management and financial information, logistics, resource inventory, payroll and personnel, internal audit and security automation.



## Program Budget

The program budget for the Internal Revenue Service is expected to experience significant changes in lieu of anticipated agency restructuring and streamlining. Under the fiscal year 1997 funding bill for the Department of Treasury, the U.S. Postal Service and the General Government, approved by the House Appropriations Committee on June 27, 1996, the IRS would receive \$6.6 billion in federal funding, a drop from 1996 of \$774 million and \$1.4 billion less than the President requested.

While funding for overall processing, assistance and management is anticipated to grow a moderate 2% from fiscal year 1995 to 1997, resource management processing services and management services are expected to lose 9% and 10% of their funding over this time period, respectively.

Tax law enforcement is expected to receive slightly less funding in fiscal year 1996 than in fiscal year 1995, though it will likely receive a funding increase of 6% in fiscal year 1997. This increase is counteracted by

declining budgets for resource management compliance, tax fraud and financial investigation and most notably for chief counsel — expected to fall 33% from \$375 million in 1995 to \$250 million in 1997.

The IRS and the President have requested a 37% increase in funds from 1995 to 1997 for the Tax Systems Modernization program, the major component of overall IRS information systems funding. However, efforts are underway in Congress to cut funding in half over the same time period in response to continued criticism of the IRS' management and development of the Tax Systems Modernization program. The program's funding, once determined, will be the primary driver for the Internal Revenue Service's information systems programs.

The program budget for the Internal Revenue Service is presented in Exhibit 2. These figures represent gross funds and do not account for offsetting collections or changes in orders on hand from federal sources, where applicable.



Exhibit 2

### Program Budget of the Internal Revenue Service

Program Activity	FY 1995 (actual)	FY 1996 (estimate)	FY 1997 (estimate)
<b>Processing, Assistance and Management</b>	<b>\$1,807</b>	<b>\$1,771</b>	<b>\$1,850</b>
Selected Activities:			
Submission Processing	814	793	870
Taxpayer Services	448	482	474
Resource Management Processing Services	284	261	258
Management Services	123	106	111
Inspection	101	102	107
<b>Tax Law Enforcement</b>	<b>\$4,445</b>	<b>\$4,272</b>	<b>\$4,691</b>
Selected Activities:			
Examination	1,576	1,591	1,795
Chief Counsel	375	370	250
Tax Fraud and Financial Investigation	403	379	390
Collection	882	792	1,078
Information Reporting	108	89	133
Resource Management, Compliance	779	748	734
<b>Information Systems</b>	<b>\$1,395</b>	<b>\$1,588</b>	<b>\$1,768</b>
Selected Activities:			
Tax Systems Modernization, Developmental	622	765	850
Tax Systems Modernization, Operational	57	58	76
Services and Compliance	607	679	670
Support Systems	93	105	105

All figures in \$ Millions

Source: Budget of the United States Government FY1997, February 5, 1996

### Information Technology Budget

The information technology budget of the Internal Revenue Service is expected to show moderate growth over the next five years. While funding for the Tax Systems Modernization program is still undecided, the IRS will continue to rely heavily on IT to support its existing functions, Computing Centers and Service Centers, as well as the continued development of electronic tax processing systems.

Funding for equipment, notably capital purchases, is anticipated to experience a compound annual growth rate (CAGR) of 12% from \$289 million in 1996 to \$514 million in 2001. Personnel, on the other hand, will likely lose 5% in funding annually as a result of continued processing automation.

The CAGR for the IRS' total IT spending over the period shown is 5%. The information technology budget of the Internal Revenue Service is provided in Exhibit 3.

Exhibit 3

## Information Technology Budget of the Internal Revenue Service

Category	1996	1997	1998	1999	2000	2001	CAGR 1996- 2001
<b>Equipment:</b>							
Capital Purchases	\$286	\$412	\$429	\$450	\$477	\$510	12%
Other Purchases and Leases	3	3	3	3	3	4	4%
<b>Total Equipment</b>	<b>289</b>	<b>415</b>	<b>432</b>	<b>453</b>	<b>480</b>	<b>514</b>	<b>12%</b>
<b>Software:</b>							
Capital Purchases	14	15	16	17	18	20	7%
Other Purchases and Leases	21	22	23	25	27	29	7%
<b>Total Software</b>	<b>36</b>	<b>37</b>	<b>39</b>	<b>42</b>	<b>45</b>	<b>49</b>	<b>7%</b>
<b>Services (Processing and Telecom.)</b>	<b>301</b>	<b>313</b>	<b>325</b>	<b>341</b>	<b>362</b>	<b>387</b>	<b>5%</b>
<b>Support Services</b>	<b>274</b>	<b>275</b>	<b>297</b>	<b>324</b>	<b>356</b>	<b>396</b>	<b>8%</b>
<b>Supplies</b>	<b>55</b>	<b>56</b>	<b>58</b>	<b>61</b>	<b>65</b>	<b>69</b>	<b>5%</b>
<b>Personnel</b>	<b>479</b>	<b>501</b>	<b>480</b>	<b>452</b>	<b>416</b>	<b>374</b>	<b>-5%</b>
<b>Contracted Out Portion of IT Budget</b>	<b>900</b>	<b>1,040</b>	<b>1,093</b>	<b>1,160</b>	<b>1,244</b>	<b>1,346</b>	<b>8%</b>
<b>Total IT Budget</b>	<b>1,434</b>	<b>1,596</b>	<b>1,632</b>	<b>1,673</b>	<b>1,724</b>	<b>1,789</b>	<b>5%</b>

All figures in \$ Millions

Source: IRS and INPUT

## IT Contract Opportunities

The major IRS acquisitions summarized below are currently active:

*a. Integrated Collection System (ICS)*

The IRS has an ongoing requirement for hardware, systems software and applications software necessary to build and implement the Integrated Collection System, a system designed to automate processing activities in support of case officers.

*b. Treasury Department Acquisition III (TDA III)*

The IRS is expected to recompet the Treasury-wide requirement for commercial off-the-shelf office automation equipment and operating system software. Deliverables will include microcomputer workstations, notebook computers, printers and other peripheral devices.

## Top Contractors and Spending by State

A list of the top IT contractors with the IRS is provided in Exhibit 4. Exhibit 5 lists the top 20 states of performance for the Service's IT spending. Contract actions performed in Washington, DC, Maryland and Virginia comprised 63% of the Internal Revenue Service's total spending on IT in 1995. This data is based on fiscal year 1995 contract actions filed with the Federal Procurement Data Center at GSA.

Exhibit 4

### Top Contractors at the IRS FY 1995

1. AT&T Corporation
2. IBM Corporation
3. Sysorex Information Systems
4. Unisys Corporation
5. Northrop Grumman Corporation
6. Motorola, Inc.
7. Washington Data Systems
8. Vion Corporation
9. Eastern Computers, Inc.
10. TRW, Inc.

Source: Federal Procurement Data Center

Exhibit 5

### Top Internal Revenue Service Spending by State FY 1995

State	IT Spending	State	IT Spending
1. Maryland	\$166,143	11. Georgia	\$3,185
2. California	\$125,971	12. Massachusetts	\$2,622
3. Virginia	\$119,546	13. Michigan	\$2,549
4. Washington, DC	\$68,887	14. Texas	\$2,435
5. West Virginia	\$28,168	15. Connecticut	\$1,011
6. Kentucky	\$20,505	16. New Hampshire	\$443
7. Tennessee	\$8,272	17. Indiana	\$205
8. Colorado	\$6,584	18. Pennsylvania	\$187
9. Florida	\$3,709	19. New York	\$122
10. Utah	\$3,563	20. Ohio	\$99

All figures in \$ Thousands

Source: FPDC and INPUT



## Major Contracts

Exhibit 6 provides a brief overview of the major active IT contracts at the Internal

Revenue Service. This information is taken from INPUT's IMPACT database of major IT programs.

Exhibit 6

### Major Contracts at the Internal Revenue Service

<u>Program</u>	<u>Type</u>	<u>Size</u>	<u>Description</u>
1. Integrated Collection System (ICS)	Professional Services	\$340M 7 yrs.	Loral FSC (formerly IBM) provides the IRS with processing capabilities to automate and integrate the Automated Collection System and the Service Center Replacement System.  Awarded in December 1990.
2. Tax Systems Modernization Effort (TSM)	Professional Services	\$4.1B 12 yrs.	Various contractors provide hardware, software and integration services to modernize the IRS' nation-wide information systems under this umbrella program, which is comprised of nine individual programs.  Awarded from May 1991 to May 1995.
3. Treasury Multi-User Acquisition Contract (TMAC)	Hardware/Software	\$1.4B 7 yrs.	AT&T provides the IRS and other Treasury agencies with integration services and multi-user systems. Deliverables include workstations, multi-user CPUs, terminals, local area networks and file servers.  Awarded in July 1991.
4. Integration Support Contract (ISC)	Professional Services	\$300M 12 yrs.	TRW provides planning, engineering, implementation and integration services in support of the IRS' Tax Systems Modernization program.  Awarded in December 1991.
5. Purchase of Computer Systems	Hardware/Software	\$61M 5 yrs.	Unisys provides the IRS with ten 2200s, including maintenance and support services.  Awarded in September 1992.
6. Optical Character Recognition/Remittance Processing System (OCR/RPS)	Professional Services	Unk. 4 yrs.	BancTec Systems provides maintenance and related software support for the Optical Character Recognition and Remittance Processing System at 10 IRS Service Centers nation-wide.  Awarded in January 1993.
7. Service Center Recognition/Image Processing Systems (SCRIPS)	Hardware/Software	\$88M 8 yrs.	Northrop Grumman provides hardware, software, training and support services to facilitate existing applications and automated document processing for the Tax Systems Modernization effort.  Awarded in February 1993.

8. CSM/MIA Direct Access Storage Devices (DASD)	Hardware/ Software	\$3M 5 yrs.	A&T Systems, Inc. provides direct access storage devices for the Martinsburg and Detroit Computing Centers. The contractor also provides performance evaluation, capacity management and training services.  Awarded in August 1993.
9. Corporate Systems Modernization/Mirror Image Acquisition (CSM/MIA)	Hardware/ Software	\$84M 8 yrs.	Vion Corporation provides IBM compatible mainframe equipment, maintenance and support for IRS Computing Centers in Martinsburg, West Virginia and Detroit, Michigan.  Awarded in January 1994.
10. Document Processing System (DPS)	Hardware/ Software	\$1.3B 15 yrs.	Loral FSC provides ADP equipment, software, support services, telecommunications and user system interfaces for electronic tax return conversion and processing.  Awarded in February 1994.
11. Printer Replacement to Integrate New Tools (PRINT)	Hardware/ Software	\$77M 5 yrs.	Federal Data Corporation provides the IRS with an automated, high speed, non-impact printing system comprised of a CPU unit, printers, a high level language compiler and paper handling equipment.  Awarded in June 1994.
12. Treasury Information Processing Support Services (TIPSS)	Professional Services	\$900M 5 yrs.	14 vendors provide integration, engineering, financial processing and telecommunications services to upgrade and integrate IRS and other Treasury data processing systems in accordance with the Tax Systems Modernization program.  Awarded from September 1994 to June 1995.
13. Disabled Employee Support Acquisition Contract (DESAC)	Hardware/ Software	\$13M 4 yrs.	Integrated Technologies Group provides support services and adaptive technologies, such as alternate computer input/output devices and screen reading software, for disabled Department of Treasury employees.  Awarded in November 1994.
14. Maintenance of the Distributed Input System (DIS)	Professional Services	\$31M 5 yrs.	Eastern Computers, Inc. provides continued maintenance of the IRS' national Distributed Input System, which processes all tax returns and documents through a series of manual and automated functions.  Awarded in February 1995.
15. Replacement Laptop Portable Printers	Hardware/ Software	\$5M Unk.	Telestar Corporation provides portable printers for use on laptops to support case officers and related IRS field activities.  Awarded in March 1995.
16. Service Center Support System (SCSS)	Professional Services	\$520M 12 yrs.	Unisys provides systems and integration services for IRS Service Centers and the Martinsburg Computing Center to link existing information systems with those of the Tax Systems Modernization program.  Awarded in May 1995.

## INPUT Agency Profile

17. Telefile	Professional Services	\$9M 5 yrs.	Periphonics, Inc. provides a Telefile Voice Processing System (VPS), a Program Development System (PDS) and a Centralized Network Management System (CNMS) to process tax returns via touch tone telephones.  Awarded in May 1995.
18. Communications Replacement Systems Hardware and Software Maintenance (CRS)	Professional Services	\$19M 5 yrs.	Unisys provides hardware and software maintenance for the Communications Replacement System's communication processors and the Integrated Data Retrieval System's terminals, printers and associated peripherals.  Awarded in May 1995.
19. Storage Peripheral Replacement on Unisys Computer Equipment (SPRUCE)	Hardware/ Software	\$106M 9 yrs.	Unisys provides storage peripheral replacements at each of the IRS' Service Centers until the Service Center Support System (SCSS) is fully operational.  Awarded in June 1995.
20. Treasury Department Acquisition II (TDA II)	Hardware/ Software	\$110M 2 yrs.	Concept Automation provides the IRS and other Treasury bureaus with commercial off-the-shelf office automation products and operating system software.  Awarded in July 1995.
21. Treasury Communications System (TCS)	Network Services	\$426M 10 yrs.	TRW provides network security and data communications between all Treasury and other federal and commercial locations for domestic and international requirements.  Awarded in September 1995.
22. Treasury Department Acquisition II 8(a) (TDA II 8(a))	Hardware/ Software	\$116M 2 yrs.	Win Labs provides the IRS and other Treasury bureaus with commercial off-the-shelf office automation microcomputer workstations, notebook computers, printers and peripheral devices.  Awarded in January 1996.
23. Treasury Department Acquisition I (TDA I)	Hardware/ Software	\$39M 2 yrs.	GTSI provides the IRS and other Treasury bureaus with commercial off-the-shelf office automation microcomputer workstations, notebook computers, printers and peripheral devices.  Awarded in March 1996 (award to EDS in June 1995 was overturned).
24. Long Term Maintenance Computing Centers (LTMCC)	Hardware/ Software	\$79M 5 yrs.	Automated Systems and Programming, Inc. provides the IRS with FIP hardware and software resources for equipment maintenance, software license and maintenance support and general support services.  Awarded in May 1996.

Source: INPUT



## Issues at the Internal Revenue Service

1. Several recent GAO reports have highlighted the IRS' difficulty in effectively developing, implementing and managing its Tax Systems Modernization (TSM) program. Eight years and several billion dollars after developing the nation-wide effort to automate tax filing and processing, TSM continues to lag in systems development, cost more than originally estimated and deliver less functionality than originally envisioned.

Representative of the entire TSM effort, the IRS' \$88 million Service Center Recognition/Image Processing System (SCRIPS), designed to speed up the tax filing process, has actually slowed it down. Specifically, SCRIPS processed only 56% of the 8.6 million 1040EZ forms at a rate 28% slower than the 1994 pre-SCRIPS rate.

In response to GAO's reviews, the House Appropriations Committee has allocated only \$424.5 million for the TSM effort in 1997, a drop of \$270.5 million from the previous year and about half of the \$850 million requested by the President. The bill also transfers the task of further developing TSM systems and procurements to the Department of Defense, although DOD itself objects to this move. Funding cuts are also expected to lead to over 2,000 IRS job losses in 1997 alone.

2. In response to continued criticism of the Internal Revenue Service's overall financial and management practices from Congress and the public, the fiscal year 1996 funding bill for the IRS has created the National Commission on Restructuring the Internal Revenue Service. The 17 member bi-partisan Commission, co-chaired by Senator Bob Kerrey (D-Neb.) and Representative Rob Portman (R-Ohio), was established to

conduct a year-long review of the IRS and its current practices with regard to its organizational structure, processing activities, infrastructure and tax collection process.

The Commission will report its findings to Congress for review in June 1997, along with suggestions for restructuring the IRS. The National Commission on Restructuring the Internal Revenue Service held its first official meeting on July 15, 1996.

3. The Internal Revenue Service is focusing much of its efforts on the implementation and improvement of interactive telephone systems, since the agency expects taxpayer telephone assistance to double as it continues to move toward a paperless system. The systems can also be used to file returns and submit payments. However, three pilot systems—the Location, Refund Inquiry and Voice Balance Due (VBD) Systems—have experienced several difficulties and are not considered user-friendly by many who have tested them. The IRS is considering providing multiple toll-free numbers to offer customer assistance, a move GAO considers inefficient and lacking in resolving the problems at hand.

4. The IRS has proposed regulations (IA-3-94) that would expand the phase-in of the electronic funds transfer system for the deposit of federal taxes. While the IRS recently canceled hearings on the matter, the agency plans to move forth with its plan to require taxpayers depositing more than \$50,000 during 1995 or 1996 to begin using the Electronic Federal Tax Payment System (EFTPS) January 1, 1998, and those depositing more than \$20,000 during 1997 to begin using it January 1, 1999. Also proposed is a penalty of up to 10% for those who neglect to use EFTPS as required.

5. The Internal Revenue Service recently denied requests from industry and Congressional members to extend foreign sales corporation (FSC) rules to software exporting firms. Under the FSC rules established in 1987, an exporter of licensed material can save 15% to 30% in federal taxes on profits derived from export sales—except for the software industry. In an effort to thwart losses in tax revenue, the IRS contends Congress did not intend to include the software industry in the original rules and that any change to their interpretation should be brought about by new legislation, not regulatory reform. Industry claims the market has changed significantly since 1987, and that they unfairly lose FSC benefits as a result.

### **On-Line Information Resources**

The Internal Revenue Service maintains a World Wide Web home page at "<http://www.irs.ustreas.gov>". This site is primarily a user services site that allows individuals and businesses to file federal tax returns and submit tax payments on-line. The site offers detailed explanations of the various electronic filing (ELF) services provided by the IRS, such as the 1040-PC form and TAXLINK. Internal Revenue publications and access to IRS statistics are also available.

While this site contains no active links to business opportunities at the Internal Revenue Service, some opportunities are posted on the Department of Treasury's electronic bulletin board system (BBS), accessible at (202) 219-9996.

### **Major Points of Contact**

#### **Commissioner**

Margaret Milner Richardson  
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#### **Chief Information Officer**

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#### **Director, Detroit Computing Center**

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(313) 234-1040

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This Agency Profile is issued as part of INPUT's Federal IT Market Analysis Program. If you have questions or comments on this profile, please call your local INPUT organization or Marco de Vries at INPUT, 1921 Gallows Road, Suite 250, Vienna, VA 22182-3900. Tel. (703) 847-6870.



# Agency Profile

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## Department of Commerce

### Purpose

The Department of Commerce is the primary federal agency responsible for the promotion of the nation's international trade, economic growth and technological advancement. It accomplishes these tasks through a variety of activities, which include expanding U.S. exports, promoting the development of innovative technologies, gathering and disseminating statistical data, measuring economic growth, granting patents and registering trademarks, promoting minority entrepreneurship, predicting atmospheric conditions and monitoring stewardship.

### Organization

The Department of Commerce was created by Act of March 4, 1913 (15 U.S.C. 1501), which transferred all labor activities from the Department of Commerce and Labor into a new, separate Department of Labor.

The Department of Commerce is headed by the Secretary of Commerce, appointed by the President with the advice and consent of the Senate, who is served by the offices of the Deputy Secretary, Chief of Staff, Inspector General and General Counsel, among others. Direct support of the department's multiple organizations and activities is provided by five Under Secretaries and 14 Assistant Secretaries.

The Under Secretaries act as the "corporate board" of key advisors to the Secretary of Commerce. In conjunction with the Assistant Secretaries, they oversee the daily activities of the department's bureaus and offices, which are organized under them to support their policy planning, coordination and implementation activities. The Under Secretaries are those for:

- Export Administration
- Economic Affairs
- International Trade
- Technology
- Oceans and Atmosphere

The Department of Commerce is headquartered in Washington, DC and is currently directed by Secretary Michael Kantor, empowered under recess appointment. The agency employs approximately 35,500 people worldwide, a 5% reduction from its level of 37,500 in April 1995. Slightly less than 55% of Commerce employees are located within the Washington, DC area.

The organizational structure of the Department of Commerce is presented in Exhibit 1.



Exhibit 1

## Department of Commerce Organization

Secretary of Commerce

Deputy Secretary

### Secretariat Offices:

- Administration
- Inspector General
- General Counsel
- Chief of Staff
- Press Secretary
- Business Liaison
- Legislative and Intergovernmental Affairs
- Consumer Affairs
- Small and Disadvantaged Business Utilization

### Primary Organizations:

- Economics and Statistics Administration
  - Chief Economist
  - Bureau of the Census
  - Bureau of Economic Analysis
- International Trade Administration
  - Import Administration
  - International Economic Policy
  - Trade Development
  - U.S. and Foreign Commercial Service
- Bureau of Export Administration
- National Oceanic and Atmospheric Administration
  - National Environmental Satellite Data and Information Service
  - National Ocean Service
  - National Weather Service
  - National Marine Fisheries Service
  - Oceanic and Atmospheric Research
- Technology Administration
  - Technology Policy
  - National Institute of Standards and Technology
  - National Technical Information Service
- U.S. Patent and Trademark Office
- National Telecommunications and Information Administration
- Economic Development Administration
- Minority Business Development Agency

Source: Carroll Publishing 1996

## Program Activities

Below are the primary organizations within the Department of Commerce and their respective activities:

### a. Office of the Secretary

The Secretary is responsible for the administration of all functions and authorities assigned to the Department of Commerce and for advising the President on federal policy and programs affecting the industrial and commercial segments of the national economy. Major support components include:

- *Office of the Press Secretary* — The Press Secretary serves as the Secretary of Commerce's official liaison to the news media in the United States and the rest of the world.
- *Business Liaison* — This office develops a cooperative working relationship and promotes effective communication between the Department of Commerce and the business community.
- *Consumer Affairs* — This office encourages and assists the business community in being responsive to consumer interests in a global marketplace, assists and educates consumers with marketplace problems and informs them about resources and programs within the department.
- *Small and Disadvantaged Business Utilization* — The Office of Small and Disadvantaged Business Utilization (OSDBU) serves as the principal departmental advocate for small, minority and women-owned businesses. OSDBU assures that small firms receive the maximum amount of Commerce contract and subcontract dollars.

b. *Economics and Statistics Administration*  
Headed by the Under Secretary for Economic Affairs, the Economics and Statistics Administration (ESA) advises the Secretary and other government officials on matters

relating to economic developments and forecasts and on the development of macroeconomic and microeconomic policy. Major components of this Administration include:

- *Bureau of the Census* — The Bureau of the Census was established as a permanent office in 1902 to collect, tabulate and publish a variety of statistical data about the demographics and economy of the United States.
- *Bureau of Economic Analysis* — The Bureau of Economic Analysis (BEA) integrates and interprets a variety of source data to provide information on such key issues as economic growth, regional development and the nation's position in the world economy.

*c. Bureau of Export Administration*

The Bureau of Export Administration was established in 1987 by the Export Administration Act to direct the nation's export control policy. Major functions include processing license applications, conducting foreign availability studies to determine when products should be deregulated and enforcing U.S. export control laws.

*d. Economic Development Administration*

The Economic Development Administration (EDA) was created in 1965 under the Public Works and Economic Development Act in an effort to target federal resources to economically distressed areas and to help develop local economies in the United States. EDA's economic development assistance programs (EDAPs) are carried out through a nationwide network of headquarters and regional personnel. The Administration provides grants for public works and development facilities, planning and coordination, defense conversion and other financial assistance.

*e. International Trade Administration*

The International Trade Administration (ITA) was established in 1980 to promote world trade and to strengthen the international trade and investment position of the United States. The Administration is headed by the Under Secretary for International Trade, who coordinates all issues concerning import administration, international economic policy and programs and trade development. It is responsible for nonagricultural trade operations of the U.S. government and supports the trade policy negotiation efforts of the U.S. Trade Representative. The Administration's four components are:

- *International Economic Policy* — The Assistant Secretary for International Economic Policy advises on the analysis, formulation and implementation of international economic policies of a bilateral, multilateral or regional nature.
- *Import Administration* — The Assistant Secretary for Import Administration defends American industry against injurious and unfair trade practices by administering the antidumping and countervailing duty laws of the United States. The Assistant Secretary also administers foreign trade zones and advises the Secretary on the establishment of new zones.
- *Trade Development* — The Assistant Secretary for Trade Development advises on international trade and investment policies pertaining to U.S. industrial sectors, carries out programs to strengthen domestic export competitiveness and promotes increased participation in international markets by U.S. industry.
- *U.S. and Foreign Commercial Service* — Through 47 domestic offices and 132 posts located in 68 countries throughout the world, the Assistant Secretary and Director General of the U.S. and Foreign Commercial Service supports overseas trade promotion events, manages a variety



of export promotion services and products, promotes U.S. products and services throughout the world market and assists state and private-sector organizations on export financing.

*f. Minority Business Development Agency*

The Minority Business Development Agency was created in 1979 to facilitate the participation of minority businesses in the U.S. and global economy. Management and technical assistance is provided to such firms on request, primarily through a network of Minority Business Development Centers funded by the agency, as well as Minority Enterprise Growth Assistance (MEGA) centers. The agency also promotes and coordinates the efforts of other federal agencies in assisting or providing market opportunities for minority business.

*g. National Oceanic and Atmospheric Administration*

The National Oceanic and Atmospheric Administration (NOAA) was created in 1970 to research and track data and information on the world's oceans and atmosphere, which it disseminates to the public in order to facilitate commerce, promote general safety and foster the protection and rational use of living marine resources and their habitats. To this end, NOAA provides weather forecasts and issues warnings against destructive natural events, provides services in support of weather-sensitive activities, prepares and issues nautical and aeronautical charts, conducts geodetic surveys and operates a national environmental satellite system. The Administration also administers and directs oceanic research programs by providing grants to institutions for marine research, education and advisory services.

*h. National Telecommunications and Information Administration*

The National Telecommunications and Information Administration (NTIA) is the principal executive branch advisor to the President on telecommunications and

information policy. NTIA develops and presents U.S. plans and policies at international conferences, prescribes policies for and manages federal use of the radio frequency spectrum and serves as the primary federal telecommunications research and engineering laboratory through the Institute for Telecommunication Sciences in Boulder, Colorado.

*i. U.S. Patent and Trademark Office*

The Patent and Trademark Office (PTO) grants patents and registers trademarks to qualified applicants to protect and encourage the development of innovation and ideas. Furthermore, the PTO records and indexes documents transferring ownership rights and maintains search files and a scientific library for public use. It also hears and decides appeals from prospective inventors and trademark applicants.

*j. Technology Administration*

The Technology Administration is headed by the Under Secretary for Technology, who serves as a principal advisor to the Secretary of Commerce and as the Department's spokesperson for science and technology issues. The Administration is the primary agency that works with U.S. industry and other federal agencies to address technological competitiveness and leadership. Major components of the Technology Administration include:

- *Office of Technology Policy* — The primary role of the Office of Technology Policy is to offer assistance to private sector and government communities in advocating and pursuing policies that maximize the impact of technology on economic growth.
- *National Institute of Standards and Technology* — The National Institute of Standards and Technology (NIST) assists industry in developing technology to improve product quality, modernizes manufacturing processes and ensures product reliability. NIST also facilitates



rapid commercialization of products based on new scientific discoveries in its effort to promote economic growth within the U.S.

- *National Technical Information Service* — The National Technical Information Service (NTIS) is the nation's largest central clearinghouse and government-wide resource for scientific, technical, engineering and other business-related information. NTIS is a self-supporting federal agency that acquires its information from U.S. government agencies and their contractors and grantees, as well as from foreign sources.

## Program Budget

The program budget for the Department of Commerce is expected to show significant fluctuation over the next several years in lieu of anticipated agency streamlining. While the overall Commerce budget is anticipated to rise a moderate 5% from fiscal year 1995 to fiscal year 1997, this growth is not evenly dispersed among the agency's many organizations and offices.

Decreasing budgets are expected for General Administration, the National Telecommunications and Information Administration, the Economic Development Administration and the Minority Business Development Agency — the latter two by 24% from 1995 to 1997. Conversely, significant growth in funds is anticipated for the Bureau of the Census (up 44%), the Patent and Trademark Office (up 40%), the National Technical Information Service (up 40%) and the Technology Administration (up 100%) over the same time period.

EDA, NOAA and NIST are the three largest beneficiaries of Commerce's federal funds, accounting for over 76% of the Department of Commerce program budget for fiscal year 1995. The Travel and Tourism Fund has been canceled for 1997 with the closing of the U.S. Travel and Tourism Administration in April 1996.

The program budget for the Department of Commerce and its various organizations is presented in Exhibit 2. These figures represent gross funds and do not account for offsetting collections or changes in orders on hand from federal sources, where applicable.

Exhibit 2

## Program Budget of the Department of Commerce

Organization/Program Activity	FY 1995 (actual)	FY 1996 (estimate)	FY 1997 (estimate)
<b>Economic Development Administration</b>	<b>\$462</b>	<b>\$348</b>	<b>\$353</b>
Planning Grants	26	24	41
Technical Assistance Grants	11	10	NA
Public Works Grants	202	165	155
Economic Adjustment Grants	36	30	27
Defense Economic Conversion	104	90	110
<b>Bureau of the Census</b>	<b>\$278</b>	<b>\$291</b>	<b>\$400</b>
Economic Statistics Programs	43	37	37
Demographic Statistics Programs	47	55	111
Sample Redesign	7	3	4
Geographic Support	32	36	44
Data Processing	10	15	28
<b>International Trade Administration</b>	<b>\$297</b>	<b>\$297</b>	<b>\$294</b>
Trade Development	63	59	50
International Economic Policy	25	29	20
Import Administration	29	30	30
U.S. and Foreign Commercial Service	158	166	168
<b>Export Administration</b>	<b>\$43</b>	<b>\$44</b>	<b>\$45</b>
Management and Policy Coordination	2	4	4
Export Administration	19	20	20
Export Enforcement	18	19	20
<b>National Oceanic and Atmospheric Administration</b>	<b>\$2,211</b>	<b>\$2,180</b>	<b>\$2,354</b>
National Ocean Service	182	194	190
National Marine Fisheries Service	288	349	296
Oceanic and Atmospheric Research	249	233	233
National Weather Service	678	606	671
Environmental Satellite, Data and Information Service	392	473	533
Program Support	148	133	131
<b>National Institute of Standards and Technology</b>	<b>\$700</b>	<b>\$645</b>	<b>\$826</b>
Electronics and Electrical Engineering	31	35	38
Manufacturing Engineering	16	20	19
Chemical Science and Technology	29	31	32
Materials Science and Engineering	44	53	51
Computer Science and Applied Mathematics	40	43	43
Technology Assistance	14	15	15
Research Support Activities	30	30	29

Organization/Program Activity	FY 1995 (actual)	FY 1996 (estimate)	FY 1997 (estimate)
<b>U.S. Patent and Trademark Office</b>	<b>\$82</b>	<b>\$82</b>	<b>\$115</b>
Patent Process	67	67	97
Information Dissemination	9	9	11
Executive Direction and Administration	6	6	7
<b>National Telecommunications and Information Administration</b>	<b>\$94</b>	<b>\$85</b>	<b>\$87</b>
Public Broadcasting Facilities, Planning and Construction	31	15	10
Information Infrastructure Grants	42	53	59
Domestic and International Policies	4	4	5
Spectrum Management	12	10	10
Telecommunication Sciences Research	4	4	3
<b>Technology Administration</b>	<b>\$8</b>	<b>\$16</b>	<b>\$16</b>
<b>National Technical Information Service</b>	<b>\$57</b>	<b>\$77</b>	<b>\$80</b>
<b>Minority Business Development Agency</b>	<b>\$45</b>	<b>\$32</b>	<b>\$34</b>
<b>Economic and Statistical Analysis</b>	<b>\$50</b>	<b>\$52</b>	<b>\$54</b>
<b>U.S. Travel and Tourism Administration</b>	<b>\$18</b>	<b>\$13</b>	<b>Terminated</b>
<b>General Administration</b>	<b>\$54</b>	<b>\$49</b>	<b>\$50</b>
<b>Office of the Inspector General</b>	<b>\$22</b>	<b>\$21</b>	<b>\$22</b>

All figures in \$ Millions

Source: Budget of the United States Government FY1997, February 5, 1996

## Information Technology Budget

The information technology (IT) budget of the Commerce Department is anticipated to show a moderate 6% annual growth rate over the next five years. The only exception to this trend is anticipated funding for information resources management personnel, expected to decline 5% annually from 1996 to 2001 due to continued automation and employment reduction efforts within the agency as a whole.

The most significant growth in IT spending is expected in capital purchases of equipment and software, with compound annual growth rates (CAGR) of 15% and 10% from 1996 to 2001, respectively. Also of

note is the contracted out portion of the information technology budget, which currently comprises 68% of Commerce's total IT budget and is expected to account for 81% in 2001 — a growing share of a growing budget.

The information technology budget of the Department of Commerce is provided in Exhibit 3. Figures are rounded to the nearest million and may account for subtotal discrepancies. Exhibit 4 highlights the distribution of IT spending at the Commerce Department for fiscal year 1996. Included in the data for ESA are the IT budgets for the Bureau of the Census and the Bureau of Economic Analysis.



Exhibit 3

### Information Technology Budget of the Department of Commerce

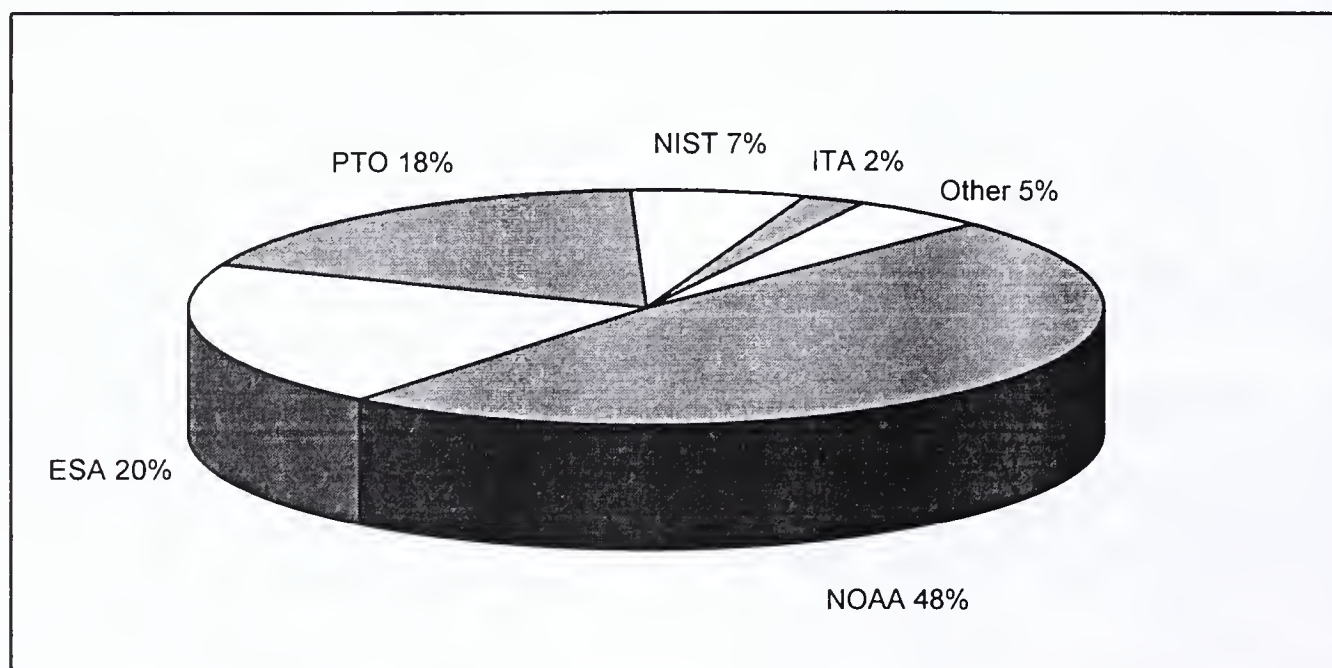
Category	1996	1997	1998	1999	2000	2001	CAGR 1996- 2001
<b>Equipment:</b>							
Capital Purchases	\$98	\$158	\$164	\$172	\$183	\$195	15%
Other Purchases and Leases	32	32	34	35	37	40	5%
<b>Total Equipment</b>	<b>129</b>	<b>190</b>	<b>198</b>	<b>207</b>	<b>220</b>	<b>235</b>	<b>13%</b>
<b>Software:</b>							
Capital Purchases	19	23	25	26	29	31	10%
Other Purchases and Leases	9	8	9	9	10	11	4%
<b>Total Software</b>	<b>28</b>	<b>32</b>	<b>34</b>	<b>36</b>	<b>39</b>	<b>42</b>	<b>8%</b>
<b>Services (Processing and Telecom.)</b>	<b>153</b>	<b>171</b>	<b>177</b>	<b>186</b>	<b>197</b>	<b>211</b>	<b>7%</b>
<b>Support Services</b>	<b>142</b>	<b>155</b>	<b>168</b>	<b>183</b>	<b>201</b>	<b>223</b>	<b>9%</b>
<b>Supplies</b>	<b>20</b>	<b>20</b>	<b>21</b>	<b>22</b>	<b>24</b>	<b>25</b>	<b>5%</b>
<b>Personnel</b>	<b>189</b>	<b>195</b>	<b>187</b>	<b>176</b>	<b>162</b>	<b>146</b>	<b>-5%</b>
<b>Contracted Out Portion of IT Budget</b>	<b>452</b>	<b>547</b>	<b>576</b>	<b>612</b>	<b>657</b>	<b>712</b>	<b>9%</b>
<b>Total IT Budget</b>	<b>662</b>	<b>763</b>	<b>785</b>	<b>811</b>	<b>843</b>	<b>883</b>	<b>6%</b>

All figures in \$ Millions

Source: Department of Commerce and INPUT

Exhibit 4

### Distribution of IT Spending at the Department of Commerce FY 1996



Source: Department of Commerce

## IT Contract Opportunities

The major Department of Commerce acquisitions summarized below are currently active:

### *a. Automated Procurement System Software (APSS)*

The Department of Commerce has a requirement for commercially available software to perform automated procurement functions at 86 sites across the U.S.

### *b. Communications Network Services and Maintenance*

The Commerce Department has a continued requirement for operation and maintenance services of the existing government-owned wide area network. Additional switching systems, ancillary equipment and common carrier facilities and services will also be acquired.

### *c. Hardware and Software Maintenance*

The National Institute of Standards and Technology intends to acquire hardware and software support services for its Sun equipment.

### *d. System Development and Maintenance (SDM)*

The Patent and Trademark Office intends to acquire professional services and other technical resources to provide automated support for patent applications management and communications between applicants and examiners.

### *e. Systems Engineering and Technical Support Services (SETSS II)*

NOAA has a requirement for continued systems engineering and technical support for the National Weather Service and the Systems Acquisition Office.

### *f. Software Support for CEMSCS (SSC)*

NOAA plans to acquire software maintenance and development services for the data processing activities of the Central Environmental Satellite Computer System (CEMSCS).

### *g. Data Capture System to Support Year 2000 Decennial Census (DCS2000)*

The Census Bureau's planned Data Capture System will convert survey data to an electronic format and maintain files of census demographic and housing data during information processing.

### *h. Supercomputer Class VIII (SC VIII)*

NOAA intends to replace its large-scale scientific computing system. The system must be able to provide operational processing of numeric forecast models, scalable computing, data archiving and scientific graphics.

### *i. PTO Desktop (PTO DT)*

The Patent and Trademark Office has a requirement to upgrade its inventory of commercial off-the-shelf (COTS) desktop microcomputers and supporting peripheral equipment. Systems will support office automation and provide access to internal and external databases.

### *j. Services to Support NOAA's National Climatic Data Center*

NOAA's National Climatic Data Center has an ongoing need for computer support and facilities management, as well as archival, microfiche and user services.

### *k. AWIPS Application Support*

NOAA has a requirement for application support of the Advanced Weather Interactive Processing System (AWIPS). Deliverables are to include computer program development, algorithm development and preparation of AWIPS requirements and specifications.

### *l. Central Environmental Satellite Computer System (CEMSCS II)*

NOAA intends to acquire system program support for its CEMSCS, to include systems design and integration, installation, intersite equipment relocation, testing and hardware maintenance.

### *m. Automated Budget Formulation System*

The Department of Commerce's Office of Budget has a requirement for an Automated Budget Formulation System to serve as part



of the Commerce Administrative Management System (CAMS). The system must operate over PC, client/server and mainframe platforms linked by wide area networks.

*n. Systems Integration Support Services for the Year 2000 Decennial Census*

The Bureau of the Census plans to outsource systems integration support services for the Year 2000 Decennial Census. Services will include workstation and local area network procurement support, system installation and deinstallation, software development, voice and data communications and facilities management.

*o. Systems Engineering and Technical Assistance (SETA)*

The Patent and Trademark Office intends to recompute a requirement for systems engineering and technical services to support its various automated systems. Patent and trademark text and image retrieval, optical character recognition devices and high speed local area networks are among the requirements.

*p. Payroll and Personnel System*

The Census Bureau intends to acquire COTS hardware and software to provide data capture of payroll and process control information for the estimated 350,000 temporary employees to be hired for the Year 2000 Decennial Census.

*q. Independent Verification and Validation (IV&V)*

Commerce's PTO has a requirement for evaluation and review services of system documentation and software system configuration for accuracy, completeness, consistency and adherence to compliance standards.

*r. Facilities Management and End User Support*

The PTO's Office of Computer and Telecommunications Operations requires professional services to manage PTOnet and

various computer center infrastructure activities. Maintenance of mainframes, file servers and cable plant foundations is also required.

## **Top Contractors and Spending by State**

A list of the top IT contractors with the Commerce Department is provided in Exhibit 5. Exhibit 6 lists the top 20 states of performance for Commerce's IT spending. Contract actions performed in Washington, DC, Maryland and Virginia comprised 63% of the agency's total spending on IT in 1995. This data is based on fiscal year 1995 contract actions filed with the Federal Procurement Data Center at GSA.

## **Major Contracts**

Exhibit 7 provides a brief overview of the major active IT contracts at the Department of Commerce. This information is taken from INPUT's IMPACT database of major IT programs.

Exhibit 5

### **Top Contractors at the Department of Commerce FY 1995**

1. PRC
2. Cray Research, Inc.
3. Unisys Corporation
4. Concurrent Computer Corporation
5. MTA, Inc.
6. Westinghouse Electric Corporation
7. Hughes STX Corporation
8. Andersen Consulting
9. Sylvest Management Systems
10. Research and Data Systems

*Source: Federal Procurement Data Center*



Exhibit 6

**Top Department of Commerce Spending by State  
FY 1995**

State	IT Spending	State	IT Spending
1. Virginia	\$129,798	11. Colorado	\$5,358
2. Maryland	\$92,002	12. Mississippi	\$4,675
3. New York	\$23,781	13. Florida	\$4,601
4. Washington, DC	\$22,368	14. Ohio	\$3,753
5. New Jersey	\$20,726	15. Wisconsin	\$2,613
6. California	\$20,136	16. Texas	\$2,498
7. Minnesota	\$15,732	17. South Carolina	\$2,377
8. Arkansas	\$8,838	18. Pennsylvania	\$2,089
9. Massachusetts	\$6,813	19. North Carolina	\$1,801
10. Alaska	\$6,094	20. Washington	\$1,779

*All figures in \$ Thousands*

*Source: FPDC and INPUT*

Exhibit 7

**Major Contracts at the Department of Commerce**

<u>Program</u>	<u>Type</u>	<u>Size</u>	<u>Description</u>
1. DOC Supercomputing Facility	Hardware/ Software	\$13M 8 yrs.	Cray Research provides lease-to-own supercomputing systems to support the various data processing activities of NIST and NOAA.  Awarded in December 1990.
2. Mainframe Replacements	Hardware/ Software	\$36M 6 yrs.	Convex Computer Corporation provides NIST with delivery, installation, maintenance and training of replacement mainframes to modernize the supercomputer-based Central Scientific Computing Facility.  Awarded in February 1992.
3. Systems Engineering and Technical Support Services (SETSS)	Professional Services	\$4M 5 yrs.	Hughes STX provides the National Weather Service with engineering and technical services to support automated weather observation systems, weather forecast information systems and complex communications systems.  Awarded in May 1992.
4. Advanced Weather Interactive Processing System (AWIPS 90)	Hardware/ Software	\$226M 10 yrs.	PRC provides a communications network, including scientific workstations, to distribute observational data, satellite imagery and radar information among the forecast offices of the National Weather Service.  Awarded in December 1992.

<u>Program</u>	<u>Type</u>	<u>Size</u>	<u>Description</u>
5. Fleet Replacement and Modernization (FRAM)	Hardware/ Software	\$1.5B 15 yrs.	Various contractors provide data acquisition and scientific computing systems under NOAA's umbrella program to replace and modernize its 22-vessel research fleet.  Awarded from 1992 to 1994.
6. ADP Engineering Support Services	Professional Services	\$16M 5 yrs.	SAIC provides PTO with systems engineering and technical services to support its various automated systems. Patent and trademark text and image retrieval, optical character recognition devices and high speed local area networks are also provided.  Awarded in April 1993.
7. National Marine Fisheries Service IT Upgrade (IT-95)	Hardware/ Software	\$13M 6 yrs.	Computer Data Systems provides NOAA's National Marine Fisheries Service with mid-range computers, software and telecommunications equipment to implement a nationwide network for scientific and general data processing requirements.  Awarded in May 1993.
8. Engineering and Technical Support Services for Fleet Replacement and Modernization Office	Professional Services	\$3M 5 yrs.	Resource Consultants provides engineering and technical support services for NOAA's Fleet Replacement and Modernization Office, including management services, systems design and logistics support engineering.  Awarded in November 1993.
9. Communications Network Services and Maintenance	Network Services	\$1M 5 yrs.	I-Net provides operation and maintenance services of the Department of Commerce's wide area network. Additional switching systems, ancillary equipment and common carrier facilities and services are also provided.  Awarded in December 1993.
10. Next Generation Weather Radar Program Support (NEXRAD)	Professional Services	\$5M 3 yrs.	Titan Systems designs, develops and demonstrates Operational Test Program Sets (OTPS) to upgrade NOAA's existing weather systems.  Awarded in April 1994.
11. Front End Processor System	Hardware/ Software	Unk. 5 yrs.	CTA provides the National Environmental Satellite Data and Information Service (NESDIS) with a front end processor system to capture weather data from a variety of environmental systems deployed by NOAA.  Awarded in August 1994.
12. Project Management/ Independent Verification and Validation (PM/IV&V)	Professional Services	\$13M 5 yrs.	Galaxy Scientific provides program management, administration and independent analysis and evaluation in support of the PTO's automated systems.  Awarded in September 1994.

<u>Program</u>	<u>Type</u>	<u>Size</u>	<u>Description</u>
13. World Area System Forecast	Hardware/ Software	\$12M 7 yrs.	MCI provides the National Weather Service with hardware and software to create a point to multi-point satellite service capable of supplying meteorological data to aviation users worldwide.  Awarded in September 1994.
14. Department Core Financial System Software Package (CFS)	Hardware/ Software	\$32M 11 yrs.	Andersen Consulting provides software development and product implementation to integrate Commerce's eight financial systems into the Departmental Core Financial Management System, to be accessed with a single graphical user interface.  Awarded in December 1994.
15. Software Support for AWIPS Development at the National Centers	Professional Services	\$6M 5 yrs.	General Sciences provides software support, network and database management, systems programming and training for the development of NOAA's Advanced Weather Interactive Processing System (AWIPS).  Awarded in February 1995.
16. Satellite Engineering and Navigation Support Services	Professional Services	\$15M 5 yrs.	Lockheed Martin provides engineering services in support of systems analysis, ground systems design, navigation operations and database management for the National Environmental Satellite Data and Information Service.  Awarded in May 1995.
17. Large Scale Scientific Computing System (LSSCS)	Hardware/ Software	\$42M 5 yrs.	Cray Research provides a scientific computing system to perform scalable computing, data archiving, data analysis and scientific graphing for NOAA's Geophysical Fluid Dynamics Laboratory.  Awarded in May 1995.
18. Development, Maintenance and Operation for the U.S. SARSAT Mission Control Center (SARSAT)	Professional Services	\$6M 5 yrs.	SAIC provides software development, operation and maintenance services for the U.S. Mission Control Center in Suitland, Maryland.  Awarded in June 1995.
19. Automated Trademark System (ATS)	Professional Services	\$1M 3 yrs.	TriCor is developing a total trademark search system for PTO by integrating existing automated systems in an effort to enhance information dissemination to the public.  Awarded in August 1995.
20. Hardware Maintenance	Professional Services	\$2M 5 yrs.	Telos Field Engineering provides maintenance, upgrades and configuration support to VAX minicomputers, workstations, mainframes and vector supercomputers owned by the Bureau of the Census at locations throughout the U.S.  Awarded in September 1995.
21. AWIPS Acquisition Office Support (AAO/SEASS)	Professional Services	\$4M 5 yrs.	Hughes STX provides systems engineering and acquisition support services (SEASS) for the National Weather Service's AWIPS Acquisition Office (AAO).  Awarded in June 1996.

Source: INPUT



## Issues at the Department of Commerce

1. In a continuing effort to fight crime, the House recently approved increases for many Justice Department information technology programs for fiscal year 1997, at a high cost to such programs at the Department of Commerce. Commerce's IT initiatives are funded through the Commerce, Justice, State and Judiciary Appropriations Bill, and a radical increase in funding for one department naturally leads to minimal increases or decreases in funding for the other departments.

More specifically, at \$110.5 million, the appropriations bill for fiscal year 1997 slashed funding in half for the NIST's Advanced Technology Program (ATP) from fiscal year 1996. ATP, which provides cost-shared awards to industry to develop high-risk technologies, is said to be abused by larger companies that do not need federal assistance. The bill also requires the eventual termination of ATP and may immediately cut off funding to any company with more than 500 employees that received funding before October 1, 1995.

IT projects at the Bureau of the Census and the National Oceanic and Atmospheric Administration also came under fire. Citing the lack of a clear plan that accurately predicts the cost of year 2000 census activities, the House Appropriations Committee approved only a \$35 million increase for Census — a fraction of what was requested. NOAA's Advanced Weather Interactive Processing System (AWIPS) received \$100 million, \$19 million less than requested but \$50 million more than in fiscal year 1996. Although it doubled AWIPS funding, the Committee expressed concerns about the successful completion of the system and vowed to base future funding on program performance.

2. The Department of Commerce has responded to greater acquisition flexibility allowed under the Information Technology Management Reform Act (ITMRA) of 1996 by developing CONOPs, the new agency-wide concept of operations for systems acquisition. CONOPs is part of a wider business process reengineering (BPR) effort within the Department of Commerce and has been developed using extensive input from end-users, stakeholders and federal best practice studies.

Commerce officials point to four major themes when conceptualizing CONOPs, all of which attempt to incorporate new acquisition regulations:

- Dramatically streamlined process
- Empowered project teams
- Redefined relationships with vendors
- New uses of technology

Currently, six pilot acquisitions are being conducted under CONOPs, including PTO's Facilities Management and End User Support project. The pilots began in May and will end in October, at which time an independent team will evaluate them. Additional information on CONOPs, as well as a discussion forum, can be accessed via the Internet at "<http://www.conops.doc.gov>".

3. The Department of Commerce is taking part in a new initiative coined the Franchise Fund. Along with the Departments of Interior, Treasury, Veterans Affairs and the Environmental Protection Agency, Commerce will now compete with vendors for work at federal, state and local agencies. The concept of the Franchise Fund was introduced in the National Performance Review and was authorized under the Government Management Reform Act of 1994, which freed federal agencies from annual zero-balance budgeting. While the new program will not be fully operational

until 1998, Commerce is currently signing up federal accounts for data processing services.

4. The unprecedented pace of development and rapid commercialization of information technology has forced Commerce's National Institute of Standards and Technology (NIST) to redefine its role in order to respond more effectively to the needs of industry. To this end, NIST has announced plans to consolidate its Computer Systems Laboratory (CSL) and Computer and Applied Mathematics Laboratory (CAML) — both located in Gaithersburg, Maryland — into a single entity to be known as the Information Technology Laboratory (ITL). ITL would facilitate standards development and conformance testing, rather than actually setting IT standards. NIST plans to move forth with the consolidation, while required approvals from Congress and the Department of Commerce have yet to be gained.

5. A recent GAO report (RCED-96-190) criticizes the Patent and Trademark Office for inadequate computing and reporting of patent examination statistics. In contrast to Japanese and European practices, the PTO does not provide separate statistics on patents issued, abandoned applications or applications still pending — statistics considered essential in measuring the status of innovation and economic well-being in general. Furthermore, GAO contends, patent pendency rates are progressively getting worse.

In an effort to streamline the PTO and improve its statistics reporting, Rep. Carlos Moorhead (R-California) has introduced HR 3450, a bill designed to convert PTO into a government-owned corporation funded by

patent application fees. It would also ensure publication of applications 18 months after they are filed. PTO reform continues to be debated in the House, as other measures are on the floor that would bar the PTO from publicizing any patent information until they are granted.

## On-Line Information Resources

The Department of Commerce maintains a World Wide Web home page at "<http://www.doc.gov>". This site contains extensive information on the various agencies, activities and current issues within Commerce. Of particular note is the link provided for on-line information services at the Commerce Department, which contains Census Bureau statistics, defense conversion information, Commerce's fiscal year 1997 budget and standards and technology information, among others.

For IT business opportunities at the Department of Commerce, a CONOPs streamlined acquisition site has been established at "<http://www.conops.doc.gov>". Currently, six pilot acquisitions are being conducted here — three at the PTO and three at the Census Bureau. Additional business opportunities may be found by accessing the Internet homepages of Commerce's various agencies via the Commerce homepage.

FedWorld, a federal information network sponsored by the National Technical Information Service, can be accessed at "<http://www.fedworld.gov>". This electronic marketplace provides public access to government documents, offers personnel and information locator services, allows instant delivery of NTIS products and connects to a host of other federal on-line systems.

## Major Points of Contact

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This Agency Profile is issued as part of INPUT's Federal IT Market Analysis Program. If you have questions or comments on this profile, please call your local INPUT organization or Marco de Vries at INPUT, 1921 Gallows Road, Suite 250, Vienna, VA 22182-3900. Tel. (703) 847-6870.



# Agency Profile

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## Social Security Administration

### Purpose

The Social Security Administration (SSA) is the primary federal agency responsible for administering a comprehensive national program of contributory social security for the aged, disadvantaged and physically and mentally challenged. It is responsible for studying and making recommendations on the problems of poverty, insecurity and health care needs of such individuals and how they can be resolved through social insurance and related programs. The Administration also assigns social security numbers and birth registration documents to U.S. citizens and maintains records of reported earnings for tax purposes.

### Organization

The Social Security Administration was established under the auspices of the Department of Health and Human Services by Act of 1946 (5 U.S.C. app.). It was made an independent agency in the executive branch by the Social Security Independence and Program Improvement Act of 1994 (42 U.S.C. 901), effective March 31, 1995.

The Administration is headed by the Commissioner of Social Security, appointed by the President with the advice and consent of the Senate, who is aided by the Principal

Deputy Commissioner, six Deputy Commissioners, the Inspector General and the Chief Financial Officer.

To further assist the Commissioner, the Social Security Advisory Board advises on policies related to old age, survivors and disability insurance programs. The Board is composed of seven members, one of whom is designated by the President as Chairman.

The functions of the Social Security Administration are carried out at its Baltimore, Maryland headquarters and approximately 1,300 field offices, which are distributed among 10 regions. Each region is headed by a Regional Commissioner who has oversight of the activities within the respective district and reports directly to the Commissioner of Social Security.

SSA is currently headed by Commissioner Shirley Chater and employs approximately 65,000 people nationwide, a level not significantly changed from approximately 65,600 people last year. Slightly more than 2% of the agency's employees are located in the Washington, DC area.

The organizational structure of the Social Security Administration is presented in Exhibit 1.

## Exhibit 1

## Social Security Administration Organization

- Commissioner of Social Security  
Principal Deputy Commissioner  
Social Security Advisory Board
- Chief of Staff
  - General Counsel
  - Inspector General
  - Chief Financial Officer
  - Legislation and Congressional Affairs
  - Human Resources
  - Systems
  - Finance, Assessment and Management
  - Office of Programs, Policy, Evaluation and Communications
  - Office of Operations
    - Public Service & Operations Support
    - Operations Component
    - Central Records Operations
    - Disability & International Operations
- Regional Headquarters
- Region I — Boston, Massachusetts
  - Region II — New York, New York
  - Region III — Philadelphia, Pennsylvania
  - Region IV — Atlanta, Georgia
  - Region V — Chicago, Illinois
  - Region VI — Dallas, Texas
  - Region VII — Kansas City, Missouri
  - Region VIII — Denver, Colorado
  - Region IX — San Francisco, California
  - Region X — Seattle, Washington

Source: Carroll Publishing 1996

## Program Activities

Below are the primary activities of the Social Security Administration:

### *a. Medicare*

The Social Security Administration administers a national program of contributory social insurance whereby employees, employers and the self-employed

pay contributions that are pooled in trust funds. When earnings stop or are reduced because the worker retires or becomes disabled, monthly cash benefits are paid to partially replace lost earnings. Contributions also finance a separate hospital insurance trust fund, which offers medical assistance to workers and their dependents when they reach 65 years of age.

Administrative responsibility of the Medicare program has been transferred to the Health Care Financing Administration (HCFA). By agreement with the Department of Labor, the Administration is also involved in administering certain aspects of the Black Lung benefits provisions of the Federal Coal Mine Health and Safety Act of 1969 (30 U.S.C. 901).

### *b. Federal Old-Age, Survivors and Disability Insurance (OASDI) Program*

The Federal Old-Age, Survivors and Disability Insurance program provides monthly benefits to retired and disabled workers, their spouses and children and to survivors of insured workers.

### *c. Supplemental Security Income (SSI)*

The agency administers the Supplemental Security Income program to provide a federally guaranteed minimum income for the aged, blind and disabled. This basic federal payment program is financed out of general revenue, rather than a contributory trust fund. The Social Security Administration also administers supplemental payments to those states that choose to provide additional benefits through the SSI program.

### *d. Appellate Decisions*

The Social Security Administration directs a national organization of administrative judges who conduct independent hearings and decide appealed cases involving the benefit provisions of the Administration's programs. The SSA Appeals Council reviews such appealed determinations and renders final decisions.



## Program Budget

While worker contributions finance many of the Social Security Administration's insurance and trust funds, federal funding reimburses the agency for payments to uninsured persons, pension reform and interest on unnegotiated checks. With only one exception, the program budget for the SSA is expected to show moderate to high growth from fiscal year 1995 to fiscal year 1997. This is reflective of Congressional and agency attempts to restore public confidence in social security.

General Social Security Trust Funds, established for the sole purpose of reimbursing the Administration for payments to uninsured persons, are anticipated to grow 28% from FY 1995 to FY 1997. Funding for the Office of the Inspector General is expected to grow 170% over the same time period in an

effort to correct operational and administrative deficiencies of the Social Security Administration, which create conditions for potential fraud and misuse of its programs.

Benefits for disabled coal miners is the only SSA program expected to lose funding over the next several years — a natural trend since the agency is only responsible for assisting those mine workers and their dependents who filed claims between December 30, 1969, when the Black Lung program originated, and June 30, 1973, when program administration was transferred to the Department of Labor.

The program budget for the Social Security Administration is presented in Exhibit 2. These figures represent gross funds and do not account for offsetting collections or changes in orders on hand from federal sources, where applicable.

Exhibit 2

### Program Budget of the Social Security Administration

Program Activity	FY 1995 (actual)	FY 1996 (estimate)	FY 1997 (estimate)
General Social Security Trust Funds	\$5,480	\$6,103	\$7,029
Special Benefits for Disabled Coal Miners	718	666	631
Supplemental Security Income Program	31,057	28,754	31,994
Federal Old-Age and Survivors Insurance Trust Fund	295,536	309,151	322,813
Federal Disability Insurance Trust Fund	39,993	44,736	48,763
Office of Inspector General	10	21	27
Administrative Expenses	5,566	5,576	6,091

All figures in \$ Millions

Source: Budget of the United States Government FY1997, February 5, 1996



## Information Technology Budget

The information technology (IT) budget of the Social Security Administration is expected to experience moderate growth in most categories over the next five years, with the exception of personnel. While compound annual growth rates (CAGR) appear to fluctuate widely for hardware and software purchases, this is primarily due to anonymously high or low funding values in 1996. From this perspective, purchases and leases of equipment and software are expected to sustain steady growth from 1997 to 2001.

Of particular note is the contracted out portion of the information technology budget, which currently comprises 58% of the Administration's total IT budget and is expected to account for 70% in 2001 — growing from \$385 million to \$501 million, respectively.

The CAGR for SSA's total IT spending over the period shown is 2%. The information technology budget of the Social Security Administration is provided in Exhibit 3. Figures are rounded to the nearest million and may account for subtotal discrepancies.

Exhibit 3

### Information Technology Budget of the Social Security Administration

Category	1996	1997	1998	1999	2000	2001	CAGR 1996- 2001
<b>Equipment:</b>							
Capital Purchases	\$184	\$121	\$126	\$132	\$140	\$150	-4%
Other Purchases and Leases	23	77	80	84	89	95	33%
<b>Total Equipment</b>	<b>207</b>	<b>198</b>	<b>206</b>	<b>216</b>	<b>229</b>	<b>245</b>	<b>3%</b>
<b>Software:</b>							
Capital Purchases	5	1	1	1	1	1	-24%
Other Purchases and Leases	3	4	4	5	5	5	16%
<b>Total Software</b>	<b>8</b>	<b>5</b>	<b>5</b>	<b>6</b>	<b>6</b>	<b>7</b>	<b>-3%</b>
<b>Services (Processing and Telecom.)</b>	<b>33</b>	<b>34</b>	<b>35</b>	<b>37</b>	<b>39</b>	<b>42</b>	<b>5%</b>
<b>Support Services</b>	<b>137</b>	<b>144</b>	<b>155</b>	<b>169</b>	<b>186</b>	<b>207</b>	<b>9%</b>
<b>Supplies</b>	<b>5</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>6</b>	<b>7</b>	<b>6%</b>
<b>Personnel</b>	<b>269</b>	<b>277</b>	<b>265</b>	<b>250</b>	<b>230</b>	<b>207</b>	<b>-5%</b>
<b>Contracted Out Portion of IT Budget</b>	<b>385</b>	<b>381</b>	<b>402</b>	<b>428</b>	<b>461</b>	<b>501</b>	<b>5%</b>
<b>Total IT Budget</b>	<b>659</b>	<b>663</b>	<b>673</b>	<b>684</b>	<b>697</b>	<b>714</b>	<b>2%</b>

All figures in \$ Millions

Source: SSA and INPUT

## IT Contract Opportunities

The major Social Security Administration acquisitions summarized below are currently active:

### *a. Maintenance and Relocation of SSA LANs*

The Administration intends to acquire nationwide maintenance and relocation support services for its local area networks, servers, workstations and peripheral devices.

### *b. Mainframe Software Tools*

SSA has a requirement for commercial off-the-shelf (COTS) software tools to interface with its current mainframe client/server system. Products must be able to perform report generation, data queries and statistical calculations.

### *c. IWS/LAN Workstation Acquisition II (IWS/LAN II)*

The Social Security Administration has a continued requirement for the purchase of approximately 35,000 intelligent workstations and 1,000 LAN components, to be installed on a nationwide basis.

### *d. IWS/LAN Database Software (IWS/LAN DBSW)*

The Administration intends to acquire database software in support of the IWS/LAN program to install a common information technology infrastructure throughout SSA in a client/server environment.

### *e. IWS/LAN Support Services (IWS/LAN SS)*

The Social Security Administration has a need for imaging and consulting support services for the IWS/LAN umbrella program.

### *f. Video Conferencing Program*

The agency has a requirement for hardware, software and imaging resources to support

its video conferencing and interactive distance learning programs, which currently link SSA headquarters to its district offices.

### *g. Relational Database Management Systems (RDBMS)*

SSA intends to acquire RDBMS hardware and software products and services to support its distributed databases at over 2,000 locations. Operating systems are to function in a multi-user and multi-task environment.

### *h. Case Control System*

The Administration's Office of Disability and International Operation (ODIO) requires maintenance and upgrades of its Case Control System, including LAN hardware, software and support services.

### *i. ADP Software*

The Social Security Administration may require secure ADP software to support the submission of wage information to the agency over the Internet.

### *j. Integrated Security Software*

SSA intends to acquire a COTS Enterprise System Security software package capable of supporting 65,000 users over a variety of platforms. Installation and maintenance services are also required.

### *k. SPARC Technology*

The Administration plans to acquire high performance, multi-processing SPARC technology servers and workstations to perform real-time search and retrieval functions and to administer other servers.

### *l. Remote LAN/ACCESS Equipment and Maintenance*

The agency has a requirement for remote LAN/ACCESS equipment and maintenance to provide seamless and transparent access to the SSA's data network for remote dial-in users.

## Top Contractors and Spending by State

A list of the top IT contractors with the Social Security Administration is provided in Exhibit 4. Exhibit 5 lists the top 17 states of performance for the SSA's IT spending. Contract actions performed in Washington, DC, Maryland and Virginia comprised 64% of the agency's total spending on IT in 1995. This data is based on fiscal year 1995 contract actions filed with the Federal Procurement Data Center at GSA.

### Exhibit 4

## Top Contractors at the Social Security Administration

**FY 1995**

1. Diez Management Systems
2. Kestrel Associates, Inc.
3. Rockwell International
4. Executone Information Systems
5. US Info-Comm
6. Wang Laboratories
7. Integrated Systems Group, Inc.
8. Computer Sciences Corporation
9. ICF Corporation
10. Government Telecommunications

*Source: Federal Procurement Data Center*

### Exhibit 5

## Top Social Security Administration Spending by State

**FY 1995**

State	IT Spending	State	IT Spending
1. Maryland	\$6,096	10. Alabama	\$46
2. Virginia	\$982	11. Texas	\$46
3. Utah	\$888	12. Colorado	\$36
4. Illinois	\$868	13. Oklahoma	\$29
5. Pennsylvania	\$703	14. Ohio	\$12
6. Florida	\$642	15. Kansas	\$3
7. California	\$336	16. New Mexico	\$2
8. New York	\$201	17. Washington, DC	\$1
9. Arizona	\$117		

*All figures in \$ Thousands*

*Source: FPDC and INPUT*



## Major Contracts

Exhibit 6 provides a brief overview of the major active IT contracts at the Social

Security Administration. This information is taken from INPUT's IMPACT database of major IT programs.

Exhibit 6

### Major Contracts at the Social Security Administration

<u>Program</u>	<u>Type</u>	<u>Size</u>	<u>Description</u>
1. IBM Direct Access Storage Devices	Hardware/ Software	\$17M 9 yrs.	Federal Computer Corporation provides IBM-compatible direct access storage devices and maintenance to support increasing volumes of work and changing computer environments at the SSA.  Awarded in July 1991.
2. Imaging Processing System	Hardware/ Software	\$2M 5 yrs.	IRM Technologies provides a networked imaging and office automation system to handle telephone and written inquiries to the SSA in a paperless environment.  Awarded in September 1992.
3. Interim Workstation Acquisition	Hardware/ Software	\$26M 5 yrs.	WIN Laboratories provides between 3,800 and 9,000 microcomputer workstations, associated software and peripherals, support services and maintenance at SSA field offices.  Awarded in January 1993.
4. Integrated Image-Based Data Capture System	Hardware/ Software	\$17M 8 yrs.	CSC provides a COTS integrated image-based data capture system to support data processing and the Modernized Earning System at SSA's Data Operations Centers and the National Computer Center.  Awarded in April 1993.
5. Mainframe Acquisition Project (MAP)	Hardware/ Software	\$44M 14 yrs.	Federal Data Corporation provides mainframe processors, personal computers and software to handle the SSA's on-line transactions and to facilitate a distributed processing environment.  Awarded in April 1993.
6. Disaster Recovery Services	Professional Services	\$1M 4 yrs.	Comdisco provides computer and telecommunications disaster recovery services for the Administration's National Computer Center in Baltimore, Maryland.  Awarded in June 1993.
7. Maintenance of Government-Owned IBM Equipment	Professional Services	\$3M 5 yrs.	Unisys provides agency-wide maintenance services for government-owned ADP equipment, including controllers, printers, display terminals and keyboards.  Awarded in September 1993.

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<u>Program</u>	<u>Type</u>	<u>Size</u>	<u>Description</u>
8. Connectivity Acquisition	Network Services	\$23M 5 yrs.	IBM supplies local area network (LAN) hardware, software and support services to provide interconnectivity for SSA's microcomputer workstations throughout the U.S.  Awarded in September 1993.
9. Integrated Software Support Services Contract (ISSSC)	Professional Services	\$68M 5 yrs.	Lockheed Martin provides agency-wide software support services, including software design, development, testing, documentation and independent verification and validation (IV&V).  Awarded in January 1994.
10. Maintenance Service for ADP Equipment, Metro Region	Professional Services	Unk. 5 yrs.	Vigyan provides maintenance services in the Washington, DC and Baltimore, Maryland area for approximately 23,100 personal computers, portable computers, display terminals, printers, LAN equipment and other peripheral devices.  Awarded in July 1994.
11. Maintenance Service for ADP Equipment, Nation Wide	Professional Services	Unk. 5 yrs.	Unisys provides nationwide maintenance services for approximately 11,000 personal computers, portable computers, display terminals, printers, LAN equipment and other peripheral devices.  Awarded in July 1994.
12. Information Center Support Services Contract (ICSSC)	Professional Services	\$4M 4 yrs.	SETA Corporation provides technical support and maintenance services at the Administration's End User Computing Information Center in Baltimore, Maryland.  Awarded in May 1995.
13. IWS/LAN Telecommunications Support Services	Network Services	\$13M 5 yrs.	SETA Corporation provides technical telecommunications services in support of SSA's national Intelligent Workstation/Local Area Network (IWS/LAN) program to install a common information technology infrastructure throughout the agency in a client/server environment.  Awarded in June 1995.
14. IWS/LAN Workstation Acquisition I (IWS/LAN I)	Hardware/ Software	\$185M 3 yrs.	Under SSA's umbrella IWS/LAN program, Unisys provides up to 56,500 microcomputers and intelligent workstations, to be installed on up to 1,742 LAN facilities nationwide.  Awarded in June 1996.
15. Integrated Human Resources System Software (IHRS)	Hardware/ Software	\$17M 5 yrs.	Andersen Consulting provides COTS software, maintenance, technical services and hotline support to automate SSA's human resource functions and business processes.  Awarded in June 1996.
16. Mainframe Acquisition Project 2000 (MAP 2000)	Hardware/ Software	\$60M 6 yrs.	Vion provides mainframe central processing units (CPUs) for SSA's National Computing Center, completing the agency's transition to a fully ESCON-capable mainframe environment.  Awarded in August 1996.

Source: INPUT



## Issues at the Social Security Administration

1. The Social Security Administration's welfare programs continue to face burdens on several fronts which, taken together, have led to the rapid deterioration of public confidence in the adequacy of social security benefits. The significant increase in the number of non-citizen recipients of social security provisions is one such burden and has recently become highly politicized and publicized. GAO found that between 1986 and 1994, the percentage of non-citizen Supplemental Security Income (SSI) recipients grew from 6% to 12% and that disabled non-citizens are the fastest growing group of SSI recipients, averaging 19% growth annually.

Both the Administration and Congress have sought to decrease this strain on social security programs by limiting the benefits to non-citizens, culminating in the Welfare Reform Reconciliation Act of 1996 (H.R. 3734), which was signed into law on August 22, 1996. The measure prohibits SSI eligibility for many non-citizens, calls for the recovery of SSI overpayments made to all recipients and significantly reduces payments for childhood disabilities and institutionalized individuals. Similarly, SSA has increased budgetary allocations to its Inspector General by 170% from 1995 to 1997 to reduce fraud and is planning the development of a counterfeit resistant social security card.

2. A recent report by the House Subcommittee on Government Management, Information and Technology reviewed the preparedness of federal agencies in dealing with the inevitable Year 2000 problem. Only three agencies — the Social Security Administration, the Small Business Administration and the Office of Personnel Management — received "A" grades for their efforts to correct the date entry obstacle. Many, if not most, of the 23 agencies reviewed received "D" and "F" grades in

developing a cost estimate and a plan to solve the problem as of April 1996.

The Year 2000 problem relates to the fact that most computer software stores dates as two digits. The year "00" will cause sorting and date calculation errors unless software programs are coded using four digits. SSA began a 300 man-year effort in 1989 to correct the problem in 30 million lines of code, only a third of which has been completed to date. The Administration awarded a five-year, \$117,000 mainframe software contract to ViaSoft in July 1995 to continue the endeavor.

SSA also heads the Year 2000 Interagency Committee, a policy and discussion forum established to advise federal agencies on correcting the Year 2000 problem. The Administration's Associate Commissioner of Systems Design and Development, Kathleen Adams, currently directs the Committee and can be reached at (410) 965-6294.

3. The Social Security Administration has recently undertaken several major IT initiatives to increase productivity and improve service to the public. Among these is the national Intelligent Workstation/Local Area Network (IWS/LAN) program. IWS/LAN is a continuing effort to install a common IT infrastructure throughout the agency in a client/server environment. SSA has already made two such awards totaling \$198 million — one to Unisys to provide 56,500 microcomputers and 2,567 notebook computers, the other to SETA Corporation for telecommunications support services. Components are to be installed on over 1,742 LAN facilities nationwide.

On August 16, 1996, the agency awarded a \$60 million contract to Vion for a new generation of mainframes. The effort, coined Mainframe Acquisition Project 2000 (MAP 2000), promises to save SSA \$40 million over the next six years alone in ADP activities at the agency's National Computer Center in Baltimore, Maryland. Increased productivity and efficiency are expected to



be passed on to the public in the form of enhanced and timely service.

To further increase efficiency, and thereby public confidence in the nation's social security programs, the agency is currently working with Signal Communications Systems and Suppliers on a pilot video conferencing and interactive distance learning program, which links agency headquarters with field offices throughout the U.S. Through video conferencing, the SSA hopes to improve the efficiency of processing applications for social security benefits, and to cut down on the number of costly protest cases by allowing "face-to-face" discussion with applicants and medical examiners. A solicitation for the full program requirement is anticipated in March 1997.

4. Several recent GAO reports (T-OCG-96-7, HEHS-96-62 and HEHS-96-147) have criticized SSA's leadership in managing program challenges. In addition to the strain on social security induced by the growth of non-citizen beneficiaries, as discussed, the aging of the baby boom generation has led to a disability caseload increase of 70% in the last decade. According to the reports, the Administration has not performed the research, analysis and evaluation needed to inform the public of the future of social security financing, nor has it determined whether current process changes will achieve the desired results. While several major systems contracts have been awarded to increase the effectiveness of case-load administration, a primary weakness remains the provision of incentives for social security beneficiaries to return to work.

### **On-Line Information Resources**

The Social Security Administration maintains a World Wide Web homepage accessible at "<http://www.ssa.gov>". This site

contains extensive information on SSA and its major programs and activities. Publications, social security card applications and tax forms are just a few of the on-line services provided by the Administration.

SSA's Office of Acquisition and Grants is also accessible here for business opportunities at the agency, or can be reached directly at "<http://www.ssa.gov/oag/oag1.htm>". This site provides a list of all current Social Security Administration solicitations arranged by category. Also offered is an annual report of small business contracting opportunities at the agency.

SADIE, the SSA Acquisition Data and Information Exchange, is the Administration's electronic bulletin board (EBB) version of the same information, and can be reached at (410) 966-4889 or toll free at (800) 772-7355.

### **Major Points of Contact**

#### **Commissioner of Social Security**

Shirley S. Chater  
6401 Security Boulevard  
Baltimore, MD 21235  
(410) 965-3120

#### **Chief Information Officer**

John R. Dyer  
(410) 965-9000

#### **Deputy Commissioner of Systems**

D. Dean Mesterharm  
(410) 965-4721

#### **Associate Commissioner of Public Service and Operations Support**

Marsha Rydstrom  
(410) 965-3400

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This Agency Profile is issued as part of INPUT's Federal IT Market Analysis Program. If you have questions or comments on this profile, please call your local INPUT organization or Marco de Vries at INPUT, 1921 Gallows Road, Suite 250, Vienna, VA 22182-3900. Tel. (703) 847-6870.

# Agency Profile

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## National Aeronautics and Space Administration

### Purpose

The National Aeronautics and Space Administration (NASA) develops, constructs, tests and operates aeronautical and space vehicles and conducts research to investigate aeronautical travel inside and outside the earth's atmosphere. Furthermore, it coordinates the use of scientific and engineering resources for both national and international research efforts in space exploration.

### Organization

The National Aeronautics and Space Administration was established by the National Aeronautics and Space Act of 1958 (42 U.S.C. 2451).

NASA is headed by the Administrator, appointed by the President with the advice and consent of the Senate, who is aided by the Deputy Administrator and 18 Associate Administrators. Associate Administrators have direct oversight of NASA's various staff offices and seven program offices. Direct operational support is provided by the Chief Financial Officer, Chief Information Officer, Chief Scientist, Chief Engineer and the Inspector General.

To further assist the Administrator, the Aerospace Safety Advisory Panel (ASAP) and the NASA Advisory Council provide advice and consultation on matters pertaining to the agency's policies, programs and strategies. ASAP consists of nine members, appointed by the Administrator, who advise the agency and Congress on all safety-related issues. The NASA Advisory Council directs seven standing advisory committees, which offer assistance ranging from the general guidance of the agency to handling specific issues.

The primary functions of the National Aeronautics and Space Administration are carried out at its Washington, DC headquarters and 11 space centers and laboratories throughout the U.S. Each center is headed by a Director, who carries out the respective daily activities of the center and reports directly to the Administrator.

NASA is currently headed by Administrator Daniel S. Goldin and employs approximately 21,300 people nationwide, an 8% reduction from approximately 23,200 people at this time last year. Slightly more than 22% of the agency's employees are located within the Washington, DC area. The organizational structure of the National Aeronautics and Space Administration is presented in Exhibit 1.



Exhibit 1

## NASA Organization

Administrator

Deputy Administrator

### Advisory Groups:

- Aerospace Safety Advisory Panel
- NASA Advisory Council

### Staff Offices:

- Chief Financial Officer
- Chief Information Officer
- Chief Scientist
- Chief Engineer
- Inspector General
- Equal Opportunity Programs
- External Relations
- Human Resources & Education
- General Counsel
- Legislative Affairs
- Public Affairs
- Management Systems and Facilities
- Headquarters Operations
- Policy and Plans
- Procurement
- Small and Disadvantaged Business Utilization
- Safety and Mission Assurance

### Program Offices:

- Aeronautics
- Space Access and Technology
- Life and Microgravity Sciences and Applications
- Mission to Planet Earth
- Space Science
- Space Flight
- Space Communications

### Major Field Centers:

- Ames Research Center — Moffett Field, CA
- Dryden Flight Research Center — Edwards, CA
- Goddard Space Flight Center — Greenbelt, MD
- Jet Propulsion Laboratory — Pasadena, CA
- Johnson Space Center — Houston, TX
- Kennedy Space Center — Cape Canaveral, FL
- Langley Research Center — Hampton, VA
- Lewis Research Center — Cleveland, OH
- Marshall Space Flight Center — Huntsville, AL
- Stennis Space Center — Bay St. Louis, MS
- Wallops Flight Facility — Wallops Island, VA

Source: Carroll Publishing 1996 and NASA

## Program Activities

Planning, directing and managing research and development programs are the responsibility of seven program offices, all of which report to and receive overall guidance and direction from the Administrator. Below are the primary NASA program activities:

### a. Aeronautics

The Office of Aeronautics conducts programs that pioneer the identification, development, verification, transfer, application and commercialization of aeronautics technologies. The office seeks to promote economic growth and security and to enhance U.S. competitiveness through civil and military aircraft and through a national aviation system. Additionally, the office is responsible for managing the Ames, Dryden Flight, Langley and Lewis Research Centers.

### b. Space Access and Technology

The Office of Space Access and Technology develops space technologies and proactively transfers those technologies to aerospace and non-aerospace applications. This is primarily done by developing partnerships with industry, academia and other government agencies. The office is also responsible for planning and assessing technology development requirements and executing agency-wide activities which satisfy these requirements.

### c. Life and Microgravity Sciences and Applications

The Office of Life and Microgravity Sciences and Applications is responsible for NASA's programs concerned with life support research and technologies, space human factors, occupational health issues and aerospace medicine. The office provides planning, development, integration and operations support for science payloads on all space carriers. The office also establishes requirements and standards for the design, development and operation of human space flight systems and facilities.



#### *d. Mission to Planet Earth*

The Office of Mission to Planet Earth conducts the agency's programs that study the global climate and the integrated functioning of the earth as a system. This involves developing and managing remote sensing satellites and instruments, aircraft and ground measurement tools, as well as data and information systems needed to support the objectives of the U.S. Global Change Research Program. The office also has institutional management responsibility for the Goddard Space Flight Center and maintains contact with the National Academy of Sciences and other science boards and committees.

#### *e. Space Science*

The Office of Space Science conducts programs and research designed to study the origin, evolution and structure of the universe and the solar system. The office also manages NASA's activities at the Jet Propulsion Laboratory and serves as liaison to the Space Studies Board of the National Academy of Sciences.

#### *f. Space Flight*

The Office of Space Flight is NASA's principal organization for manned space flight operations and utilization. The office operates the space shuttle and the spacelab and is currently leading the development of the International Space Station. The office is also responsible for institutional management of the Kennedy Space Center, Marshall Space Flight Center, Johnson Space Center and the Stennis Space Center.

#### *g. Space Communications*

The Office of Space Communications is responsible for meeting NASA's aeronautics and space flight requirements for both manned and unmanned missions. To this end, the office supports spacecraft operations and control centers, ground and space communications, data acquisition and

processing, flight dynamics and trajectory analyses, spacecraft tracking and applied research and development of new technology.

### **Major Field Centers**

Below are the primary NASA field centers and a brief description of their activities and responsibilities:

#### *a. Ames Research Center*

The center, located at Moffett Field, California, provides leadership for NASA's airspace systems operations, astrobiology and information systems research and technology development. The center fulfills this function through the conduct and management of various research and technology programs. The goal of these activities is to achieve the nation's aeronautics and space objectives and to enhance economic prosperity.

#### *b. Dryden Flight Research Center*

Dryden Flight Research Center, which is located in Edwards, California, conducts aerospace flight research and aircraft operations in support of agency and national needs. The center also provides operational landing support for the national space transportation system.

#### *c. Goddard Space Flight Center*

The center, located in Greenbelt, Maryland, develops earth-orbiting spacecraft and conducts flight operations and experiments. It also develops and operates tracking and data acquisition systems to support mission operations. Furthermore, the center conducts many of NASA's research programs, including space physics research programs, earth and life science programs, information systems technology development, planetary science experiments and sensor development for environmental and ocean dynamics monitoring.

*d. Jet Propulsion Laboratory*

The Jet Propulsion Laboratory, which is operated under contract by the California Institute of Technology in Pasadena, California, develops spacecraft and space sensors. It also conducts mission operations and ground-based research in support of solar system exploration, earth and life science and applications, earth and ocean dynamics, space physics, astronomy and information systems technology.

*e. Johnson Space Center*

The Johnson Space Center, located in Houston, Texas, is the host center for the Space Station Program Office and manages the development and operation of the space shuttle. The center recruits, selects and trains all astronauts for various missions. Furthermore, it is responsible for developing and testing space flight payloads and associated systems for manned flight, for planning and conducting manned space flight missions and for directing medical, engineering and scientific experiments.

*f. Kennedy Space Center*

The Kennedy Space Center, located in Cape Canaveral, Florida, designs, constructs, operates and maintains space vehicle facilities and ground support equipment for launch and recovery operations. The center is also responsible for pre-launch and landing operations, as well as payload processing for the space shuttle.

*g. Langley Research Center*

Langley Research Center, located in Hampton, Virginia, performs a wide variety of research for the discovery and application of aviation and aeronautics technologies. To support NASA's overall mission, the center studies, among others, general aviation commuter aircraft technology, military aircraft and missile systems technology, aerospace vehicle structures and materials, automation and robotics, aircraft flight control

systems, remote sensor and data acquisition and communication technology, atmospheric sciences and space power conversion and transmission.

*h. Lewis Research Center*

The Lewis Research Center in Cleveland, Ohio, supports NASA's research efforts in aeropropulsion, space power and microgravity science and technology. The center also conducts research in the disciplines of materials, structures, internal fluid mechanics, instrumentation, controls and electronics.

*i. Marshall Space Flight Center*

The Marshall Space Flight Center in Huntsville, Alabama, is responsible for the development and testing of the space shuttle's fuel systems. The center also oversees the development of the spacelab and conducts research in structural systems, materials science engineering, electronics, guidance, navigation and control systems.

*j. Stennis Space Center*

The Stennis Space Center, which is located in Bay St. Louis, Mississippi, plans and manages research and development activities in the fields of space and terrestrial applications, space flight, oceanography, meteorology and environmental sciences.

*k. Wallops Flight Facility*

The Wallops Flight Facility, located on Wallops Island, Virginia, is NASA's principal facility for the management and implementation of sub-orbital research programs. More specifically, the facility manages sounding rocket and scientific balloon programs to conduct observational earth sciences studies. It also provides launch support for the Small Expendable Launch Vehicle Services (SEL VS) program and operates the Wallops Test Range and Orbital Tracking Station.



## Program Budget

NASA adopted a major program budget restructuring in fiscal year 1995, which was enacted in fiscal year 1996. Federal funding for three NASA activities has been consolidated with the three primary existing accounts listed in Exhibit 2. Namely, Research and Development activities, for which \$861 million was allocated in 1995; Space Flight, Control and Data Communications activities, for which \$367 million was allocated in 1995; and Construction of Facilities activities, for which \$297 million was allocated in 1995 are all presently being performed under the Human Space Flight, Science, Aeronautics and Technology and Mission Support accounts.

While NASA's program budget appears to increase or remain constant for many activities, this consolidation of \$1.5 billion in federal funds translates into an overall funding decrease for the agency.

Restructuring and consolidation are part of an ongoing initiative to streamline the agency's activities and to redefine its mission and purpose in the absence of actual or perceived Cold-War era national security threats.

The program budget for NASA is presented in Exhibit 2. These figures represent gross funds and do not account for offsetting collections or changes in orders on hand from federal sources, where applicable.

Exhibit 2

### Program Budget of the National Aeronautics and Space Administration

Program Activity	FY 1995 (actual)	FY 1996 (estimate)	FY 1997 (estimate)
<b>Human Space Flight</b>	<b>\$5,596</b>	<b>\$5,554</b>	<b>\$5,471</b>
Space Station	1,693	1,967	1,805
U.S./Russian Cooperative Program	124	149	138
Payload and Utilization Operations	312	307	274
Space Shuttle	3,110	3,037	3,151
<b>Science, Aeronautics and Technology</b>	<b>\$6,003</b>	<b>\$5,919</b>	<b>\$5,935</b>
Space Science	1,590	2,094	1,864
Life and Microgravity Science	393	538	499
Mission to Planet Earth	1,059	1,390	1,369
Aeronautical Research and Technology	866	873	886
Space Access and Technology	560	691	723
Launch Services	282	52	NA
Mission Communication Services	455	445	423
<b>Mission Support</b>	<b>\$2,553</b>	<b>\$2,536</b>	<b>\$2,591</b>
Safety, Reliability and Quality Assurance	29	46	37
Space Communication Services	171	294	290
Research and Program Management	2,126	2,054	2,080
Construction of Facilities	78	142	150
<b>Inspector General</b>	<b>\$16</b>	<b>\$16</b>	<b>\$17</b>

All figures in \$ Millions

Source: Budget of the United States Government FY1997, February 5, 1996



## Information Technology Budget

Despite NASA's stagnant program budget, the agency will continue to rely heavily on information technology (IT) over the next several years, notably on commercial services. With the exception of a negative compound annual growth rate (CAGR) for personnel, IT spending within the agency is anticipated to show moderate growth across all categories. The CAGR for NASA's total IT spending over the period shown is 6%.

The agency has a history of contracting out a large portion of its total spending on information technology. In 1996, approximately 92% of NASA's \$1.4 billion IT budget is being contracted to vendors and is expected to increase to 95% of the total budget in 2001 — growing from \$1.3 billion to \$1.8 billion, respectively.

The information technology budget of the National Aeronautics and Space Administration is provided in Exhibit 3. Figures are rounded to the nearest million and may account for subtotal discrepancies.

Exhibit 3

### Information Technology Budget of the National Aeronautics and Space Administration

Category	1996	1997	1998	1999	2000	2001	CAGR 1996- 2001
<b>Equipment:</b>							
Capital Purchases	\$219	\$205	\$214	\$224	\$238	\$254	3%
Other Purchases and Leases	45	44	46	48	51	55	4%
<b>Total Equipment</b>	<b>264</b>	<b>250</b>	<b>260</b>	<b>273</b>	<b>289</b>	<b>309</b>	<b>3%</b>
<b>Software:</b>							
Capital Purchases	48	52	55	59	64	70	8%
Other Purchases and Leases	24	22	23	25	27	29	4%
<b>Total Software</b>	<b>72</b>	<b>74</b>	<b>79</b>	<b>84</b>	<b>91</b>	<b>99</b>	<b>7%</b>
<b>Services (Processing and Telecom.)</b>	<b>66</b>	<b>77</b>	<b>81</b>	<b>85</b>	<b>90</b>	<b>96</b>	<b>8%</b>
<b>Support Services</b>	<b>912</b>	<b>889</b>	<b>960</b>	<b>1,047</b>	<b>1,151</b>	<b>1,278</b>	<b>7%</b>
<b>Supplies</b>	<b>24</b>	<b>26</b>	<b>27</b>	<b>29</b>	<b>30</b>	<b>33</b>	<b>6%</b>
<b>Personnel</b>	<b>93</b>	<b>92</b>	<b>88</b>	<b>83</b>	<b>76</b>	<b>69</b>	<b>-6%</b>
<b>Contracted Out Portion of IT Budget</b>	<b>1,314</b>	<b>1,290</b>	<b>1,379</b>	<b>1,488</b>	<b>1,621</b>	<b>1,782</b>	<b>6%</b>
<b>Total IT Budget</b>	<b>1,432</b>	<b>1,409</b>	<b>1,495</b>	<b>1,600</b>	<b>1,728</b>	<b>1,884</b>	<b>6%</b>

All figures in \$ Millions

Source: NASA and INPUT

## IT Contract Opportunities

The major NASA acquisitions summarized below by contracting center are currently active:

### Ames Research Center

#### *a. Ames FIP Services*

The center has a requirement for FIP services to include all aspects of software development and maintenance, engineering, advanced networks, as well as data integration of FIP hardware and software systems.

#### *b. Computational Capability Resources*

Ames intends to fulfill an ongoing requirement for systems support, hardware, software and mass storage resources capable of large scale engineering and scientific application processing support.

#### *c. Information and Communications Support Services*

The center intends to recompet a contract to develop, implement and operate information, imaging and communications systems, networks and facilities to support the Information and Communications Division.

#### *d. NAS Processing System Network - High Speed Processor 4 (HSP 4)*

Ames has a requirement for a fourth supercomputer and related professional services for the NASA Processing System Network (NPSN), the center's major source for ADP systems and services.

#### *e. Center-Wide Computer Equipment Maintenance*

NASA requires full-time, on-site technical professionals for maintenance of the entire installed equipment base at Ames Research Center.

#### *f. High Performance Local Area Network Equipment*

Ames intends to procure LAN equipment for various NASA locations and other federal agencies. Transmission rates of 100 Mbps are required, as well as connections to lower performance systems.

#### *g. NASA Software IV&V*

Ames' software associated with the International Space Station Alpha (ISSA), space shuttle, selected robotic spacecraft, ground controls and other NASA programs requires independent verification and validation (IV&V) services.

### Goddard Space Flight Center

#### *a. Scientific and Engineering Workstation Procurement II (SEWP II)*

The center has a requirement for hardware, software and support services necessary to supplement the existing open systems environment created through the original SEWP contracts.

#### *b. Goddard Business, Administrative and Technical Computing Services Contract (BATC)*

The center intends to acquire comprehensive information technology services to support the various functions of the Information Management Division (IMD) at the Goddard Space Flight Center.

#### *c. Space Science Data Operations Mission Procurement (SSDOM)*

The Space Science Data Operations Mission, previously known as the National Space Science Data Center (NSSDC), has an ongoing requirement for operations and analysis support services.

#### *d. Data Analysis and Scientific Support*

The center's Earth Sciences Directorate, Geodynamics Branch, has a requirement for scientific data analysis and software support for geodynamic experiments associated with space missions and research.



*e. Mission Operations, Systems Engineering and Software (MOSES)*

The center will likely have a continuing requirement to support Hubble Space Telescope (HST) mission operations and servicing mission responsibilities of the HST Operations and Ground Systems (O&GS) Project.

*f. Integrated Financial Management Project (IFMP)*

NASA is seeking to acquire and implement an integrated financial management system capable of meeting the transaction tracking, financial reporting and planning requirements of the federal government.

### **Headquarters**

*a. Center for Aerospace Information (CASI)*

NASA intends to acquire maintenance, management and operation services for the Center for Aerospace Information in Linthicum, Maryland, one of the largest repositories of aerospace scientific and technical information.

*b. Aircraft Management Information System Software*

NASA's Aircraft Management Office intends to implement various commercial off-the-shelf (COTS) applications to support the maintenance, logistics, engineering and operations functions associated with NASA's fleet of commercial and research aircraft.

### **Johnson Space Center**

*a. Training Systems Center (TSC)*

The Mission Support Directorate of the Johnson Space Center has an ongoing need for engineering and integration support for pilot training and simulation systems.

*b. Information Systems Contract (ISC)*

The center has a requirement for systems hardware, software and support services, with the exception of shuttle and space station mission control center systems,

flight crew training systems and shuttle integration laboratory systems.

*c. Operations Automatic Data Processing (OADP)*

Johnson Space Center has a need for COTS computer systems. The requirement also calls for all necessary peripherals, software and maintenance support for the systems.

*d. White Sands Test Facility Site Support*

The center requires technical assistance, systems engineering and other ADP support services for the White Sands Test Facility in Las Cruces, New Mexico.

*e. Shuttle Training Aircraft Support Services (STASS)*

NASA intends to procure professional services to maintain and test hardware and software used by the Aircraft Operations Division for the Shuttle Training Aircraft (STA).

*f. Consolidated Space Operations Contract (CSOC)*

The Johnson Space Center plans to acquire mission and data service elements to provide space operation services at four NASA centers — the Jet Propulsion Laboratory, Goddard Space Flight, Marshall Space Flight and Johnson Space Centers.

### **Kennedy Space Center**

*a. Maintenance of Honeywell Computers*

The center has a requirement for hardware and software maintenance on existing and recently acquired Honeywell systems and peripherals, including H66/80 mainframes, DPS8 mainframes and DPS 90 systems.

*b. Engineering Support Services*

The Kennedy Space Center intends to acquire engineering and management support services for its Engineering Development Directorate, covering a wide range of research and technology areas.



## Lewis Research Center

### *a. Management and Operations Contract (MOC-I)*

NASA's Lewis Research Center intends to consolidate various logistics and operations contracts for center-wide administrative and technical support.

### *b. Computational, Administrative, Professional and Engineering Services (CAPES)*

The Lewis Research Center has a requirement for on-site computational, administrative, professional and engineering services to support a host of systems and computational applications.

## Marshall Space Flight Center

### *a. Mass Storage Subsystem of Payload Data Services*

The Enhanced Huntsville Operation Support Center (EHS) has a requirement for a mass storage subsystem to archive International Space Station (ISS) payload data for retrieval and distribution for up to 2 years after data acquisition.

## Stennis Space Center

### *a. Technical Services Contract*

The Stennis Space Center has a requirement for technical support services, software development and system design for its test complex, instrumentation and laboratories.

## Top Contractors and Spending by State

A list of the top IT contractors with NASA is provided in Exhibit 4. Exhibit 5 lists the top 20 states of performance for the agency's IT spending. Contract actions performed in Washington, DC, Maryland and Virginia comprised 33% of NASA's total spending on IT in 1995. This data is based on fiscal year 1995 contract actions filed with the Federal Procurement Data Center at GSA.

## Major Contracts

At least 62 major IT contracts are currently active at the National Aeronautics and Space Administration. Due to their volume, Exhibit 6 provides a brief summary of only those contracts with known values of more than \$50 million. This information is taken from INPUT's IMPACT database of major IT programs.

Exhibit 4

### Top Contractors at NASA

FY 1995

1. Computer Sciences Corporation
2. Lockheed Martin Corporation
3. McDonnell Douglas Corporation
4. Loral Aerospace Corporation (currently Lockheed Martin Corporation)
5. NYMA Corporation
6. Northrop Grumman
7. Sterling Federal Systems, Inc.
8. I-Net
9. Cortez III Service Corporation
10. Rockwell International

Source: Federal Procurement Data Center

Exhibit 5

### Top NASA Spending by State FY 1995

State	IT Spending	State	IT Spending
1. Maryland	\$411,539	11. Pennsylvania	\$13,536
2. Texas	\$387,854	12. New Jersey	\$11,454
3. Florida	\$234,246	13. Oklahoma	\$5,305
4. California	\$217,303	14. Massachusetts	\$5,014
5. Virginia	\$194,661	15. New Mexico	\$4,470
6. Alabama	\$184,580	16. Connecticut	\$3,904
7. Ohio	\$171,188	17. Utah	\$2,117
8. Washington, DC	\$42,206	18. Washington	\$1,841
9. Mississippi	\$31,122	19. New York	\$1,415
10. Wisconsin	\$20,443	20. Tennessee	\$1,225

All figures in \$ Thousands

Source: FPDC and INPUT

Exhibit 6

### Major Contracts at the National Aeronautics and Space Administration

<u>Center/Program</u>	<u>Type</u>	<u>Size</u>	<u>Description</u>
<b>Ames Research Center</b>			
1. Computational Capability Resources	Hardware/ Software	\$91M 7 yrs.	Sterling Software provides hardware, software and professional services providing researchers with the ability to process large scale scientific and engineering applications. Awarded in July 1992.
2. NAS Processing System Network - High Speed Processor 3 (NAS NPSN 3)	Hardware/ Software	\$65M 7 yrs.	Cray Research provides supercomputers and associated professional services for the NAS Processing System Network (NPSN), a major NASA research and development program. Awarded in December 1992.
3. Information Sciences Research and Development	Professional Services	\$61M 5 yrs.	Caelum Research, Inc. provides research and development services to support the Information Sciences Division at Ames. Awarded in May 1995.
<b>Goddard Space Flight Center</b>			
1. Scientific and Engineering Workstation Procurement (SEWP)	Hardware/ Software	\$827M 5 yrs.	Sun Microsystems, Hewlett-Packard, GTSI, IBM, Silicon Graphics, Harris, Unisys and Digital Equipment Corporation provide NASA with high performance workstations and associated software. Awarded in February 1993.

## Major Contracts at the National Aeronautics and Space Administration (cont.)

<u>Center/Program</u>	<u>Type</u>	<u>Size</u>	<u>Description</u>
2. Earth Observing System Data Information System Core System (ECS)	Professional Services	\$766M 10 yrs.	Hughes Information Technology designs, develops, implements and tests the ground systems for the Earth Observing System Data Information System (EOSDIS). Awarded in April 1993.
3. Consolidation Network Mission Operations Support (CNMOS)	Professional Services	\$197M 10 yrs.	CSC and Allied Signal provide the center with consolidated operations, systems, analysis and engineering support services previously performed under various contracts. Awarded in December 1993.
4. Independent Verification & Validation Support Services (IV&V)	Professional Services	\$86M 10 yrs.	Intermetrics independently monitors the performance of Hughes' work on the NASA Earth Observing System Data Information System (EOSDIS) Core System program (ECS). Awarded in June 1994.
5. EOS Data and Operations System (EDOS)	Professional Services	\$121M 8 yrs.	TRW provides the definition, design, installation and maintenance of a control center for NASA's Earth Observing System (EOS). Awarded in September 1994.
6. Tracking and Data Relay Satellite System H,I,J (TDRS H,I,J)	Hardware/Software	\$482M 10 yrs.	Hughes Aircraft provides three additional satellites for the Tracking and Data Relay System (TDRSS), which relays data from platforms such as NASA's Earth Observing System satellites and the space shuttle. Awarded in February 1995.
7. Engineering and Technical Services in Support of the Office of Flight Assurance	Professional Services	\$94M 5 yrs.	Johnson Controls Assurance provides product assurance and quality engineering support to the Office of Flight Assurance, which reviews the technical and safety aspects of all GSFC projects. Awarded in April 1995.
<b>Headquarters</b>			
1. NASA Headquarters Information and Resource Management Support Services (I&RM)	Professional Services	\$200M 5 yrs.	Boeing Computer Services operates and manages the NASA Headquarters Computer Center, the Headquarters Network Management and Control Center and the Information Technology Center. Awarded in November 1994.
<b>Johnson Space Center</b>			
1. Training Systems Center (TSC)	Professional Services	\$517M 10 yrs.	CAE-Link provides the center's Mission Support Directorate (MSD) with systems engineering and integration services to provide crew training and simulation systems. Awarded in October 1989.
2. Operations Automatic Data Processing (OADP)	Hardware/Software	\$191M 8 yrs.	Lockheed Martin provides COTS computer systems, peripherals, software and maintenance support for the operational systems at the Johnson Space Center control center and training facilities. Awarded in May 1991.



## Major Contracts at the National Aeronautics and Space Administration (cont.)

<u>Center/Program</u>	<u>Type</u>	<u>Size</u>	<u>Description</u>
3. Information Systems Contract (ISC)	Professional Services	\$350M 5 yrs.	Northrop Grumman provides FIP resources for various ISC programs, including host computers, networks, telecommunications, workstations, applications software, security and IRM planning. Awarded in January 1993.
4. Engineering Test and Analysis Support Contract (ETA)	Professional Services	\$1.1B 5 yrs.	Lockheed Martin provides personnel, equipment, management and materials to support the Johnson Space Center's space flight laboratories. Awarded in December 1993.
5. White Sands Test Facility Site Support	Professional Services	\$163M 5 yrs.	Allied Signal provides technical assistance, systems engineering and other ADP support services for the White Sands Test Facility in Las Cruces, New Mexico. Awarded in December 1993.
6. Safety, Reliability, Maintainability and Quality Assurance (SRMQA)	Professional Services	\$279M 10 yrs.	Loral Space Information Systems provides software, computer equipment and professional services in support of the National Space Transportation System, the Space Station and the Orbiter/Government Furnished Equipment SRMQA Office. Awarded in April 1995.
<b>Kennedy Space Center</b>			
1. Engineering Support Services	Professional Services	\$120M 5 yrs.	I-Net constructs designs, studies and investigations for the center's aerospace ground systems research, technology and engineering development tasks. Awarded in October 1992.
2. Base Operations Support	Professional Services	\$1.8B 10 yrs.	EG&G provides professional support in the areas of management, operation, maintenance and engineering for the center's utilities, facilities and technical and administrative operations. Awarded in October 1993.
3. Hardware Interface Module Replacement (HIM)	Hardware/Software	\$62M 5 yrs.	DNE Technologies provides 226 Hardware Interface Module replacements and supporting spares as part of the Checkout, Control and Monitor Subsystem of the Space Shuttle Launch Processing System. Awarded in March 1994.
<b>Langley Research Center</b>			
1. Scientific Computer Operations Maintenance and Communications (SCOMAC)	Professional Services	\$200M 7 yrs.	CSC provides services in computer operations, hardware and software maintenance, installation, communications support and management of the center's Central Scientific Computing Complex. Awarded in July 1993.
2. Aerospace Research and Technology (ART)	Professional Services	\$52M 4 yrs.	Lockheed Martin provides technical support services in aerodynamics, gas and fluid dynamics, acoustics, structures, materials, flight systems and electronic hardware for information and electromagnetic systems. Awarded in June 1996.

## Major Contracts at the National Aeronautics and Space Administration (cont.)

<u>Center/Program</u>	<u>Type</u>	<u>Size</u>	<u>Description</u>
<b>Lewis Research Center</b>			
1. Scientific, Engineering, Technical, Administrative and Related Services (SETARS)	Professional Services	\$180M 5 yrs.	NYMA provides scientific, engineering, administrative, technical and related services in direct support of the center's research and technology programs. Awarded in August 1993.
<b>Marshall Space Flight Center</b>			
1. Engineering Analysis and Data System (EADS II)	Hardware/ Software	\$129M 8 yrs.	Cray-Grumman Systems, a joint venture, provides an integrated replacement system for the Engineering Analysis and Data System to upgrade its storage, computational and network capabilities. Awarded in October 1992.
2. Program Information Systems Mission Services (PRISMS)	Professional Services	\$800M 8 yrs.	CSC provides professional support for the Program Support Communications Network (PSCN) and agency-wide information management services to which the center has been assigned. Awarded in May 1994.
3. Science and Engineering Support Services	Professional Services	\$75M 5 yrs.	Sverdrup Technology provides support services in the functional areas of systems analysis and integration, propulsion, avionics, materials and processes for the center's Science and Engineering Directorate. Awarded in February 1996.
4. Utilization and Mission Support (UMS)	Professional Services	\$89M 5 yrs.	Lockheed Martin provides mission support services to the center's Mission Operations Laboratory, as well as operations and maintenance of all Mission Support Systems and software supporting flight projects. Awarded in August 1996.
<b>Stennis Space Center</b>			
1. Test and Technical Services (TTSC)	Professional Services	\$72M 5 yrs.	Lockheed Martin provides test operations and technical support services, including instrumentation and laboratory support, software development, systems design, engineering and space shuttle engine testing. Awarded in August 1994.
<b>Wallops Flight Facility</b>			
1. Engineering Support and Related Services	Professional Services	\$68M 3 yrs.	CSC provides on-site engineering, facilities support, computer operations, software development and maintenance, as well as instrumentation laboratory operations. Awarded in June 1995.

Source: INPUT



## Issues at NASA

1. In an effort to gauge the implications and effects of chief information officer (CIO) positions on the effectiveness of federal procurement practices, the General Accounting Office recently reviewed NASA's efforts to implement its CIO position, currently held by Ronald S. West. In its report (AIMD-96-78), GAO focused on NASA CIO initiatives to improve information resources management and opportunities for NASA to strengthen the CIO position.

While Ronald West has taken action to address long-standing IRM problems, such as lack of oversight and redundant operations, the inherently decentralized nature of NASA's space centers has made it difficult to limit the IT procurement authority of the centers — and NASA has been reluctant to do so. GAO contends that strengthening NASA's CIO position is essential to achieve the changes envisioned by the Information Technology Management Reform Act of 1996, and that a major opportunity lies in the creation of an effective agency-wide IT resource tracking system.

2. NASA plans to consolidate its five wide area networks currently in operation or development at three space centers. Prompted by technology improvements and the need to control costs in the face of decreasing federal funding, the agency announced a plan in August 1995 expected to save \$236 million over the next six years, which is currently being implemented.

The primary focus of the plan is Marshall Space Flight Center, which is consolidating all of its NASA Communications (NASCOM) Network components used for high-priority, mission-critical communications, and plans to procure such services from commercial

providers beginning in fiscal year 1998. GAO's review of the plan (AIMD-96-33) notes that while savings will likely be realized, the adopted measures are not as aggressive and optimal as other proposed plans.

3. NASA's Scientific and Engineering Workstation Procurement (SEWP) II is not only the product of its successful predecessor, SEWP, it is also a starting block for the virtual government office and electronic data interchange (EDI). SEWP II promises to acquire, deliver, install and support 13 classes of high performance workstations compatible with NASA's existing open-system UNIX environment.

Though this requirement is much like the original SEWP, the most significant difference between the two is the mode of acquisition. With SEWP II, NASA is conducting the procurement and managing the contract electronically over the Internet. Winning vendors will be required to maintain a page on the World Wide Web for contract support. Once awarded, all order processing, pricing and reporting under the contracts must be conducted using EDI. An award is anticipated in October 1996.

4. NASA is continuing efforts to reduce its workforce. Since the agency's creation in 1958, its civil service workforce has fluctuated widely in response to major space initiatives being undertaken and completed, and more recently in response to agency restructuring and streamlining. NASA has reduced its fiscal year 2000 full-time employee goal by more than 3,000 personnel—now targeted at 17,500. To attain this goal, approximately 4,000 positions, or 19%, will have to be cut from the current employment level of 21,300.



In a recent report (NSIAD-96-176), GAO credits NASA for shifting program management away from the agency's headquarters to field centers and for offering voluntary separation incentive payments in an effort to attain employment reduction goals. Current trends indicate, however, that NASA will not be able to meet its goal of having 17,500 employees in fiscal year 2000 without invoking involuntary separation measures.

5. NASA recently abandoned AT&T's asynchronous transfer mode (ATM) services under Network A for Sprint's Network B services of the FTS 2000 government-wide telecommunications network. Although NASA is required to use AT&T's long distance services under FTS 2000 rules, the agency requested GSA for an exception with regard to ATM services. NASA pilot-tested AT&T's ATM services for approximately a year, but was disappointed with available transmission speeds. NASA is expected to spend \$6 million for Sprint's ATM service over the next three years, at 45- and 155-Mbps, to integrate data, voice and conferencing applications on its wide area networks.

## On-Line Information Resources

The National Aeronautics and Space Administration maintains a World Wide Web home page accessible at "<http://www.nasa.gov>". This site contains extensive information on NASA's organization, major initiatives and public information services. Links to individual NASA centers and laboratories are also provided.

For business opportunities at NASA, Marshall Space Flight Center maintains an agency-wide procurement information page accessible at "<http://procure.msfc.nasa.gov/nasaproc.html>". This site contains extensive

information and solicitation documents for major NASA procurements organized by the contracting center. All NASA procurement home pages are interconnected to create what the agency coins the NASA Acquisition Internet Service (NAIS).

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This Agency Profile is issued as part of INPUT's Federal IT Market Analysis Program. If you have questions or comments on this profile, please call your local INPUT organization or Marco de Vries at INPUT, 1921 Gallows Road, Suite 250, Vienna, VA 22182-3900. Tel. (703) 847-6870.

# Agency Profile

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## Federal Aviation Administration

### Purpose

The Federal Aviation Administration (FAA) is the primary federal agency responsible for regulating domestic air commerce and controlling the civilian and military use of navigable airspace within the United States to promote safety and efficiency. It is further responsible for promoting and developing civil aeronautics and research and development with respect to air navigation. It operates a common system of air traffic control and navigation for civilian and military aircraft. Furthermore, it develops and implements regulations and programs to minimize the environmental effects of civil aviation.

### Organization

The Federal Aviation Administration, formerly the Federal Aviation Agency, was established by the Federal Aviation Act of 1958 (49 U.S.C. 106) and became a component of the Department of Transportation in 1967, pursuant to the Department of Transportation Act (49 U.S.C. app. 1651).

The FAA is headed by the Administrator, appointed by the President with the advice and consent of the Senate, who is aided by the Deputy Administrator, six Associate Administrators and five Assistant

Administrators. The Associate and Assistant Administrators are responsible for the daily activities of the agency's various program and staff offices.

The functions of the Federal Aviation Administration are carried out at its Washington, DC national headquarters, 10 regional headquarters within the U.S. and two regional offices overseas, one in Brussels, Belgium and the other at the U.S. Embassy in Singapore. Major technical research and development initiatives are conducted at the agency's Mike Monroney Aeronautical Center and the FAA Technical Center.

The FAA is currently headed by Administrator David R. Hinson and employs approximately 48,000 people worldwide. Despite continued efforts to restructure and reduce personnel within the FAA, this level has not significantly changed from roughly 49,000 employees at this time last year. Slightly less than 9% of the agency's employees are located in the Washington, DC area.

The organizational structure of the Federal Aviation Administration is presented in Exhibit 1.



## Exhibit 1

**FAA Organization**

Administrator

Deputy Administrator

- Air Traffic Services
  - Airway Facilities Services
  - Air Traffic Service
  - Independent Operational Test & Evaluation
  - System Capacity & Requirements
- Regulations & Certification
  - Aircraft Certification Service
  - Flight Standards Service
  - Rulemaking
- Research & Acquisitions
  - Acquisitions
  - Information Technology
  - System Architecture & Program Evaluation
  - Air Traffic Systems Development
  - Aviation Research
  - Communications, Navigation & Surveillance Systems
- System Safety
- Office of Administration
- Civil Rights
- Chief Counsel
- Public Affairs
- Government and Industry Affairs
- Airports
- Civil Aviation Security
- Policy, Planning & International Aviation

**Major Regional Offices:**

- Alaskan — Anchorage, AK
- Central — Kansas City, MO
- Eastern — Jamaica, NY
- Great Lakes — Des Plaines, IL
- New England — Burlington, MA
- Northwest Mountain — Renton, WA
- Southeast — Atlanta, GA
- Southwest — Fort Worth, TX
- Western Pacific — Los Angeles, CA
- Latin America - Caribbean — Miami, FL
- FAA Technical Center — Atlantic City, NJ
- Mike Monroney Aeronautical Center — Oklahoma City, OK

Source: Carroll Publishing 1996

**Program Activities**

Below are the primary functions of the Federal Aviation Administration:

*a. Safety Regulation*

The FAA issues and enforces rules and regulations relating to the manufacture, operation and maintenance of aircraft, and it rates and certifies airmen and airports serving air carriers. The agency performs flight inspections of air navigation facilities in the U.S. and abroad, as required. It also enforces regulations under the Hazardous Materials Transportation Act (49 U.S.C. app. 1801), applicable to shipments by air.

*b. Airspace and Traffic Management*

The safe and efficient utilization of navigable airspace is a primary objective of the agency. To meet this objective, the FAA operates a network of airport traffic control towers, air route traffic control centers and flight service stations. It develops air traffic rules and regulations and allocates the use of the airspace. It also provides for the security control of air traffic to meet national defense requirements.

*c. Air Navigation Facilities*

The agency is responsible for the location, construction or installation, maintenance, operation and quality assurance of visual and electronic aids to air navigation. The FAA operates and maintains voice and data communications equipment, radar facilities, computer systems and visual display equipment at flight service stations, airport traffic control towers and air route traffic control centers.

*d. Research, Engineering and Development*

The research, engineering and development activities of the agency are directed toward providing the systems, procedures, facilities and devices needed for federal air navigation and air traffic control requirements.

The agency also performs an aeromedical research function to apply its knowledge to civil aviation safety.

*e. Test and Evaluation*

The FAA conducts tests and evaluations of the development and implementation of air navigation equipment, procedures, devices, materials and other related products to determine efficiency, safety and effectiveness.

*f. Airport Programs*

The agency maintains a national plan of airport requirements, administers a grant program for the development of public use airports, evaluates the environmental impacts of airport development and administers an airport noise compatibility program. It also develops standards and technical guidance on airport planning, design, safety and operations and provides grants to assist public agencies in airport development and improvement.

*g. Registration and Recordation*

The Federal Aviation Administration provides a system for the registration of aircraft and recording of documents affecting title or interest in aircraft, aircraft engines, propellers and spare parts.

*h. Civil Aviation Abroad*

Under the Federal Aviation Act of 1958 and the International Aviation Facilities Act (49 U.S.C. app. 1151), the agency supports the development of international aviation through the exchange of information, the certification of foreign facilities, airmen and mechanics and through the provision of technical assistance and training in all areas of the Administration's expertise. It also provides technical representation at international conferences, including the International Civil Aviation Organization.

*i. Commercial Space Transportation*

The FAA regulates and promotes the U.S. commercial space transportation industry. It licenses the private sector launching of space payloads on expendable launch vehicles and commercial space launch facilities. The agency also sets insurance requirements for the protection of persons and property and ensures that space transportation activities comply with U.S. domestic and foreign policy.

*j. Payroll and Personnel Systems*

The Federal Aviation Administration serves as the executive administration for the operation and maintenance of the Department of Transportation automated payroll and personnel systems.

## Program Budget

The program budget for the Federal Aviation Administration is expected to experience an overall decrease from fiscal year 1995 to fiscal year 1997 due to ongoing restructuring and streamlining initiatives within the agency. The only anticipated positive growth in federal funding is for FAA operations, climbing 7% from \$4.6 billion in 1995 to an estimated \$5 billion in 1997. All other major federal accounts will likely decline over the same time period — facilities and equipment by 5%, research, engineering and development by 26% and grants-in-aid for airports by 10%.

The program budget for the FAA is presented in Exhibit 2. These figures represent gross funds and do not account for offsetting collections or changes in orders on hand from federal sources, where applicable.

## Exhibit 2

## Program Budget of the Federal Aviation Administration

Program Activity	FY 1995 (actual)	FY 1996 (estimate)	FY 1997 (estimate)
<b>Operations</b>	<b>\$4,636</b>	<b>\$4,704</b>	<b>\$4,982</b>
Air Traffic Services	3,572	3,623	3,826
Regulation and Certification	405	438	487
Civil Aviation Security	67	67	73
Airports	39	41	46
Research and Acquisitions	93	76	78
Commercial Space Transportation	NA	6	7
Administration	322	325	333
Staff Offices	75	68	69
<b>Facilities and Equipment</b>	<b>\$2,027</b>	<b>\$1,999</b>	<b>\$1,916</b>
Engineering, Development, Test and Evaluation	462	429	348
Procurement and Modernization of ATC Facilities	1,214	926	891
Procurement and Modernization of non-ATC Facilities	148	118	94
Mission Support	252	241	285
Personnel and Related Costs	207	239	217
<b>Research, Engineering and Development</b>	<b>\$273</b>	<b>\$192</b>	<b>\$202</b>
System Development and Infrastructure	11	10	14
Capacity and Air Traffic Management Technology	76	39	43
Communications, Navigation and Surveillance	39	24	22
Weather	3	7	6
Airport Technology	9	6	6
Aircraft Safety Technology	51	38	39
System Security Technology	37	37	36
Human Factors and Aviation Medicine	35	24	23
Environment and Energy	5	4	4
Innovative/Cooperative Research	7	1	3
<b>Grants-in-Aid for Airports</b>	<b>\$1,495</b>	<b>\$1,450</b>	<b>\$1,350</b>

All figures in \$ Millions

Source: Budget of the United States Government FY1997, February 5, 1996



## Information Technology Budget

As an agency within the Department of Transportation, the Federal Aviation Administration is not obligated to report its own information technology (IT) budget to the Office of Management and Budget, nor is the Department of Transportation required to do so on behalf of the FAA. Therefore, no detailed account of the FAA's IT budget is available.

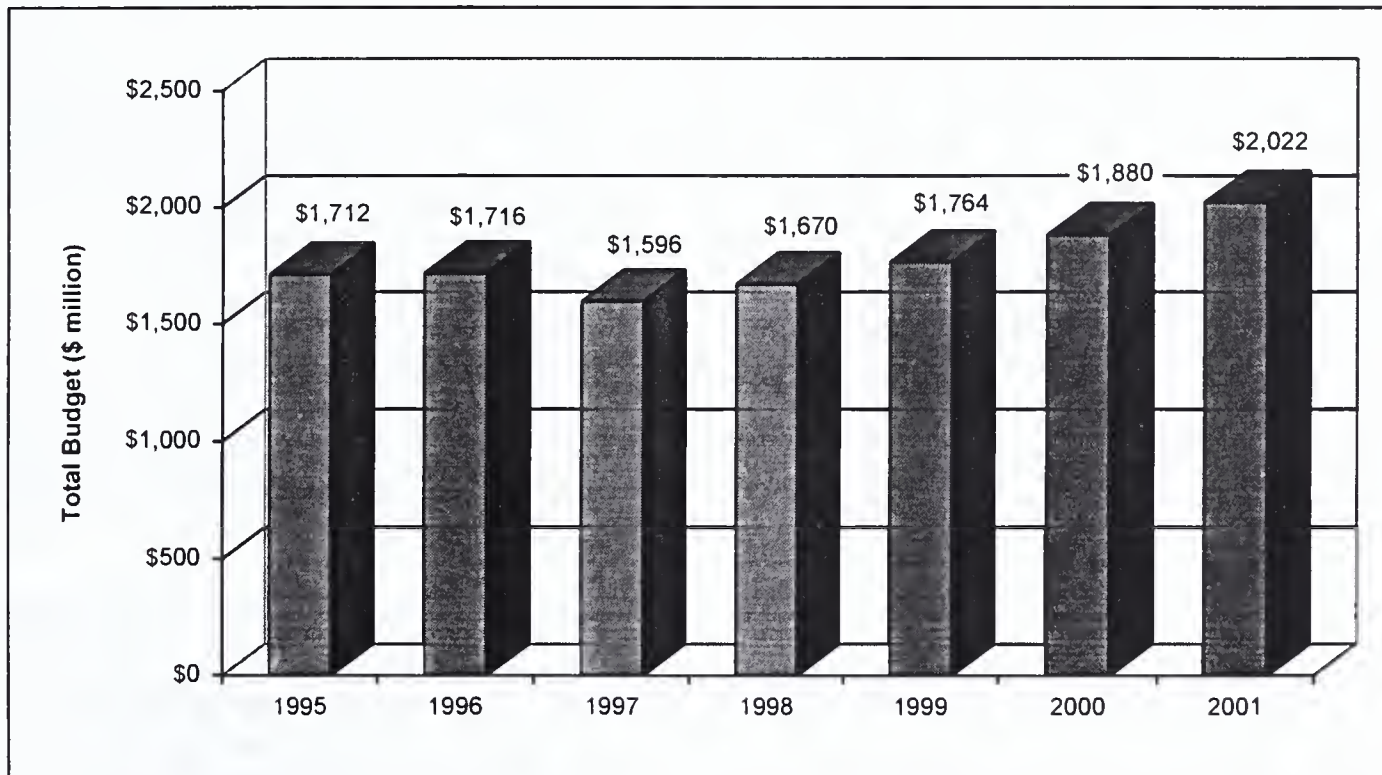
Typically, however, the agency accounts for approximately 88% of the Department of Transportation's total spending on

information technology, which totaled \$1.9 billion in 1996 and is expected to grow at a compound annual growth rate (CAGR) of 3% until 2001.

Based on these figures, the FAA allocated approximately \$1.7 billion for IT hardware, software, services and personnel in 1996. Extrapolating from Transportation's IT budget, the FAA's IT budget is expected to grow to just over \$2 billion in 2001, also at a CAGR of 3%. The information technology budget of the FAA is provided in Exhibit 3.

Exhibit 3

### Information Technology Budget of the Federal Aviation Administration



Source: Department of Transportation and INPUT

## IT Contract Opportunities

The major Federal Aviation Administration acquisitions summarized below are currently active:

### *a. FSAS Operational and Supportability Implementation System (OASIS)*

The agency has a requirement to upgrade its Flight Service Automation System (FSAS) Automated Flight Service Station (AFSS) equipment. Local area networks, training and support services will also be acquired.

### *b. Environmental Remote Monitoring System (ERMS)*

The FAA intends to acquire remote monitoring and control of facility environment equipment to be installed primarily at remote, unmanned facilities.

### *c. Maintenance Data Terminal System (MDTS)*

The agency intends to acquire portable and desktop computers for use as maintenance data terminals, replacing 4,000 286 and 386 PCs with Pentiums or comparable machines.

### *d. Airport Surface Target ID System*

The system required will provide technical solutions to improve airport surface traffic operations by combining differential GPS and other sensors with a surveillance data link.

### *e. National Departure Sequencing Program (DSP)*

The FAA intends to acquire UNIX workstations, client/server database management products, communications hardware and support services to create a system that facilitates the departure sequence of aircraft.

### *f. Weather System Processor (WSP)*

The FAA has a requirement for professional services to implement an add-on Weather Systems Processor, to be hosted on existing FAA airport surveillance radars.

### *g. En Route Software Engineering Support Services (ES2)*

The agency requires software engineering and maintenance support services for the 20 Air Route Traffic Control Centers and the FAA Technical Center.

### *h. En Route Software Development and Support (ERSDS III)*

The agency requires personnel, facilities, materials and services for software development and deployment support for the En Route subsystems within the National Airspace System (NAS).

### *i. Technical Assistance Contract (TAC)*

The FAA has an ongoing requirement for technical and systems maintenance support for its Missions Support Office.

### *j. Next Generation Air/Ground Communications System*

The FAA is investigating a new program to replace the air-to-ground system currently used for voice communications between pilots and air traffic controllers.

### *k. Technical Support Services for Aviation Systems Standards (AVN)*

The FAA has a requirement for technical services in support of Aviation Systems Standards, which promote flight safety by assuring the adequacy and accuracy of air navigation equipment and facilities.

### *l. FIP Support Services*

The FAA Technical Center has a requirement for FIP administrative support services in the areas of application systems development and telecommunications.



*m. Capital Investment Plan (CIP)*

The Capital Investment Plan is the FAA's comprehensive and overall design for upgrading the National Air Transportation System. Several programs fall under this umbrella initiative, many of which have been awarded since its inception in 1990. The CIP acquisitions summarized below are currently active:

- *Airport Surveillance Radar Weather Systems Processing (ASR)* — The agency requires computer equipment to enhance the hazardous weather detection capability of airport surveillance radars at airports not eligible for terminal Doppler weather radar.
- *Portable Performance Support System (PPSS)* — To assist aviation safety inspectors at remote locations, the FAA intends to acquire computer software and hardware to directly access air operator technical and safety data.
- *National Airspace System Implementation Support Contract II (NISC II)* — The agency has an ongoing, nationwide requirement for assistance in critical technical, planning and management areas to integrate the National Airspace System.
- *Air Traffic Control Beacon Interrogator Replacement (ATCBI)* — The FAA intends to acquire approximately 200 Non-Developmental Item (NDI) Monopulse Secondary Surveillance Radars (MSSRs) to replace ATCBI-4/5 SSRs in the agency's inventory.
- *Instrument Approach Procedures Automation Procurement (IAPA)* — The agency requires support services for IAPA, a mainframe based, interactive graphics system used for the development of Standard Instrument Approach Procedures (SIAP).
- *Air Traffic Management System Development and Integration (ATMSDI)* — The FAA requires air traffic management systems development, integration and life cycle support to increase the capacity and efficiency of its automation resources.
- *Integrated Terminal Weather System (ITWS)* — The FAA requires a system to integrate and control observational data from various weather sensors to provide real-time information for the entire aviation community. Industry sources speculate Raytheon is the only remaining vendor in the competitive range for this opportunity.
- *Air Traffic Operational Management Systems (ATOMS)* — The agency intends to acquire on-site facility management of the Air Traffic Operational Management System, an on-line information system housing operational and managerial data.
- *National Infrastructure Management System (NIMS)* — The FAA intends to procure a management system capable of automating and consolidating its maintenance operations to allow performance monitoring from centralized work centers.



## Top Contractors and Spending by State

A list of the top IT contractors with the Federal Aviation Administration is provided in Exhibit 4. Exhibit 5 lists the top 20 states of performance for the agency's IT spending. Contract actions performed in Washington, DC, Maryland and Virginia comprised 58% of the FAA's total spending on IT in 1995. This data is based on fiscal year 1995 contract actions filed with the Federal Procurement Data Center at GSA.

Exhibit 4

### Top Contractors at the FAA FY 1995

1. IBM Corporation
2. Harris Corporation
3. Raytheon Company
4. Westinghouse Electric Corporation
5. TRW, Inc.
6. Mitre Corporation
7. General Electric Company
8. Modern Technology Systems
9. Concept Automation, Inc.
10. NCR Corporation

Source: Federal Procurement Data Center

Exhibit 5

### Top Federal Aviation Administration Spending by State FY 1995

State	IT Spending	State	IT Spending
1. Maryland	\$398,814	11. New Jersey	\$12,328
2. Virginia	\$207,414	12. Minnesota	\$8,912
3. Florida	\$161,162	13. Georgia	\$5,823
4. Massachusetts	\$129,175	14. New York	\$5,648
5. Oklahoma	\$91,739	15. North Carolina	\$4,071
6. Washington, DC	\$78,278	16. Washington	\$2,159
7. California	\$19,321	17. New Mexico	\$1,905
8. Texas	\$12,790	18. Pennsylvania	\$1,483
9. Missouri	\$12,661	19. New Hampshire	\$1,368
10. Connecticut	\$12,424	20. Illinois	\$1,085

All figures in \$ Thousands

Source: FPDC and INPUT

## Major Contracts

Exhibit 6 provides a brief overview of the major active IT contracts at the Federal

Aviation Administration. This information is taken from INPUT's IMPACT database of major IT programs.

Exhibit 6

### Major Contracts at the Federal Aviation Administration

<u>Program</u>	<u>Type</u>	<u>Size</u>	<u>Description</u>
1. Office Automation Technology Systems (OATS)	Hardware/ Software	\$850M 8 yrs.	NCR provides office automation hardware, software conversion, equipment maintenance and training services for a Department of Transportation-wide office automation modernization effort.  Awarded in December 1989.
2. Computer Resources Nucleus (CORN)	Hardware/ Software	\$508M 10 yrs.	EDS provides mainframe turnkey operations for ADP resources necessary to meet the agency's management information requirements on a nationwide basis.  Awarded in February 1992.
3. Small Tower Voice Switch (STVS)	Network Services	\$20M 10 yrs.	Denrow, Inc. provides a modern voice communications switch and control system which meets the needs of future air traffic control terminal operations.  Awarded in October 1992.
4. Notification to Airmen System Software Maintenance Support (NOTAM)	Professional Services	\$1M 6 yrs.	Software System Automation provides software maintenance and training services for NOTAM, an automated system providing safety critical information to users of the National Airspace System.  Awarded in February 1993.
5. National Airspace Implementation Support Contract (NISC)	Professional Services	\$122M 7 yrs.	General Electric conducts studies and analysis of resource use and program evaluation in support of the FAA's Capital Investment Plan.  Awarded in March 1993.
6. Instrument Approach Procedures Automation Procurement II (IAPA)	Hardware/ Software	\$35M 6 yrs.	Concept Automation provides workstations, file servers and peripherals to support the IAPA system, a mainframe based, interactive graphics system.  Awarded in June 1993.
7. Alaskan NAS Interfacility Communications System Satellite Network (ANICS)	Network Services	\$140M 10 yrs.	Harris provides commercially available satellite earth station equipment, space segment and associated monitor and control systems to modernize the Alaskan NAS system.  Awarded in July 1993.
8. FIP Support Services	Professional Services	\$20M 5 yrs.	Kenrob & Associates provides the Mike Monroney Aeronautical Center with approximately 150 individuals to perform FIP support services.  Awarded in July 1994.

## Major Contracts at the Federal Aviation Administration (cont.)

<u>Program</u>	<u>Type</u>	<u>Size</u>	<u>Description</u>
9. Telecommunications Management and Operations (TM&O)	Network Services	\$27M 5 yrs.	RMS Technologies provides telecommunications management and hardware and software maintenance to FAA headquarters and regional offices. Awarded in August 1994.
10. Systems Engineering and Technical Assistance for the Capital Investment Plan (SETA)	Professional Services	\$150M 5 yrs.	TRW provides system engineering and technical assistance for the FAA's Capital Investment Plan, an umbrella initiative to upgrade the National Air Transportation System. Awarded in September 1994.
11. Agency Data Telecommunications Network 2000 (ADTN 2000)	Network Services	\$24M 10 yrs.	Government Systems, Inc. provides hardware, software, engineering and installation support for ADTN, the FAA's private, nationwide data communications network for administrative tasks. Awarded in September 1994.
12. Technical Support Services Follow-On Contract (TSSC-II)	Professional Services	\$264M 5 yrs.	Raytheon provides support for the implementation of the FAA's facilities and equipment programs in the aviation system Capital Investment Plan. Awarded in June 1995.
13. Technical Assistance Contract (TAC)	Professional Services	\$231M 5 yrs.	TRW provides financial management, data management, office automation and program control for the FAA's Advanced Automation Program (AAP) and Automation Program (ANA). Awarded in June 1995.
14. Enhanced Terminal Voice Switch (ETVS)	Network Services	\$13M 5 yrs.	Denrow provides approximately 250 voice switching systems, associated equipment and services under the Enhanced Terminal Voice Switch project. Awarded in July 1995.
15. En Route Software Development and Support (ERSDS II)	Professional Services	\$207M 5 yrs.	CSC provides the FAA with personnel, facilities, materials and services for the software development and deployment support of En Route subsystems within the National Airspace System. Awarded in July 1995.
16. Recovery Communications Network (RCOM)	Professional Services	\$3M 5 yrs.	ECI Systems & Engineering is responsible for the procurement, integration, testing and deployment of the FAA's Recovery Communications Network. Awarded in August 1995.
17. Oceanic System Development and Support (OSDS)	Professional Services	\$141M 8 yrs.	Hughes Aircraft provides services to consolidate the research and development support activities for implementation of an oceanic air traffic control system. Awarded in September 1995.
18. Direct User Access Terminal II (DUAT II)	Network Services	\$26M 5 yrs.	GTE and Data Transformation Corporation provide the FAA with DUAT network services as part of the National Airspace System modernization program, allowing access to flight services information over PCs. Awarded in March 1996.



## Major Contracts at the Federal Aviation Administration (cont.)

<u>Program</u>	<u>Type</u>	<u>Size</u>	<u>Description</u>
19. Service Operations Support 3 and 4 (SOS3 & SOS4)	Professional Services	\$63M 6 yrs.	Technical Management Assistance Corp. and Dimensions International supply the FAA Technical Center with engineering and technical support services for the National Airspace System. Awarded in March 1996.
20. GPS Wide Area Augmentation System (WAAS)	Professional Services	\$475M 7 yrs.	Hughes provides the FAA with an augmentation system for increasing the accuracy of the Global Positioning Satellite (GPS) system so it may be used for civilian aviation. Interim contract awarded in May 1996. Official contract to be awarded in November 1996.
21. Telecommunications Satellite System (FAATSAT)	Network Services	\$165M 10 yrs.	MCI provides alternate communications channels and portable support services for contingencies and broadcast applications, consolidating a variety of existing CONUS satellite services. Awarded in June 1996.
22. Weather and Radar Processor (WARP)	Professional Services	\$73M 8 yrs.	Harris provides the FAA with follow-on WARP services, offering support of real-time air traffic control operations to the agency's meteorologists. Awarded in June 1996.
23. Electronic Document Management System (EDMS)	Hardware/ Software	\$20M 8 yrs.	Litton/PRC provides a document management system using electronic imagery technology to store and retrieve airmen and aircraft registry documents as part of the Registry Modernization Project. Awarded in September 1996.
24. Standard Terminal Automation Replacement System (STARS)	Hardware/ Software	\$952M 5 yrs.	Raytheon provides the Administration with commercial off-the-shelf terminal air traffic control automation systems to supplement the Advanced Automation System (AAS) held by Lockheed Martin. Awarded in September 1996.

Source: INPUT

## Issues at the FAA

1. In response to continued criticism from Congress and GAO about the performance of various FAA system initiatives, the fiscal year 1996 Department of Transportation Appropriations Bill (PL 104-50) directed the agency to develop an Acquisition Management System of procurement reform initiatives. Implemented on April 1, 1996, the reform measures attempt to address the needs of the agency and provide for a more timely and cost-effective way of acquiring equipment, materials and services.

The changes proposed by the FAA are grouped into three major process "systems": a new life cycle acquisition management system, a workforce learning system and a procurement system. Major highlights of the new systems are as follows:

- Integrated Product Teams (IPTs) will be formed that have the authority to make sole source decisions and are responsible for those decisions.
- The FAA will have open communication with industry from planning to award.
- For procurements over \$50,000, the FAA will make public announcements on the Internet or by other means.
- Protests will be dealt with by the FAA's internal Alternative Dispute Resolution process.

Copies of the Acquisition Management System can be obtained via the Internet at "[http://www.faa.gov/asu/asu100/acq-reform/acq\\_home.htm](http://www.faa.gov/asu/asu100/acq-reform/acq_home.htm)".

2. Currently evolving from the FAA's acquisition reforms is an on-line acquisition management system known as FAST, the FAA Acquisition System Tool. Scheduled to go on-line on October 31, 1996, FAST will be the central repository of information about new acquisition policies, processes and guidance, best practices and past performance measures. The system is initially expected to contain guidelines for

systems and equipment, software, services and facilities acquisitions. Ultimately, the agency hopes to create electronic templates for preparing all of its acquisition documents, which will be publicly searchable through FAST.

3. The FAA's Wide Area Augmentation System (WAAS) initiative may be the first proving ground of the agency's new Acquisition Management System. No longer compromising quality and efficiency, the Administration used its new acquisition powers to drop prime contractor Wilcox Electric, Inc. from the project less than a year after the contract was awarded on August 3, 1995. Citing "performance deficiencies," the FAA instead awarded an interim contract to Hughes, who was a sub along with TRW on the Wilcox contract. The agency was able to act decisively because of its exemption from many existing federal procurement laws effective April 1, 1996.

WAAS, a seven-year, \$475 million effort, calls for the development of a nationwide satellite network for air traffic control. The system will augment, and in some cases replace, components of the existing National Airspace System (NAS) using the Global Positioning System (GPS). An official award to Hughes is expected in November 1996.

4. Anticipated funding cuts from Congress and aging navigation equipment, coupled with steadily increasing air traffic, has forced the FAA to take the initiative in pursuing only those modernization programs with demonstrable productivity gains and efficiency. Under the National Airspace System modernization effort, the Advanced Automation Program (AAP) has undergone restructuring and downsizing to a point where improved reliability is the only goal expected to be met by the year 2000. Original goals, such as lowering airport operating costs, have already been abandoned.



Similarly, the FAA will acquire fewer systems and technologies under its tower automation program, designed to replace hardware and software for selected air traffic control towers. The agency currently expects to deploy the systems in 13 airports, instead of the planned 150 sites.

5. As with all federal entities, the Federal Aviation Administration is grappling with the inevitable Year 2000 problem regarding computer date entry. The House Subcommittee on Government Management, Information and Technology rated the Department of Transportation's overall efforts at devising a strategy to cope with the problem with an "F". While the FAA has documented potential Year 2000 problems during its conversion to the Computer Resources Nucleus (CORN) platform since February 1992, it may well be the proverbial too little too late. The only concrete action taken to date is a pilot Year 2000 conversion for two CORN applications performed by EDS.

## On-Line Information Resources

The Federal Aviation Administration maintains a World Wide Web home page accessible at "<http://www.faa.gov>". This site contains extensive information about the agency's structure, various organizations and major program initiatives, among others. The FAA Office of Public Affairs is also accessible at this site, offering agency publications, press releases and personnel locator services.

For business opportunities at the Administration, the Office of Acquisition is also on-line and can be reached directly at "<http://www.faa.gov/asu/cd/faaacq.htm>". Posted are contracting opportunities and active contracts, in addition to documents that highlight acquisition reform and acquisition practices within the FAA. The agency also operates a number of electronic bulletin board systems, a comprehensive list and description of which can be found at "<http://www.faa.gov/faabbs.htm>".

## Major Points of Contact

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# Agency Profile

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## Defense Information Systems Agency

### Purpose

The Defense Information Systems Agency (DISA) is the primary Department of Defense agency responsible for information technology and serves as the central manager of major portions of the Defense Information Infrastructure (DII) initiative.

Specifically, DISA plans, develops and supports command, control, communications, computers and intelligence (C4I) activities that serve the needs of the National Command Authority under all conditions of peace and war. The agency is responsible for Defense telecommunications and information processing facilities, and it provides guidance and support on technical and operational information systems. It also supports the telecommunications functions of the National Communications System, as prescribed by Executive Order 12472 of 1984 for national security emergency preparedness.

### Organization

The Defense Information Systems Agency was established as the Defense Communications Agency in 1960, and was renamed in 1991 to reflect its broadened technical responsibility within the Department of Defense.

DISA is headed by the Director, who reports directly to the Assistant Secretary of Defense for Command, Control, Communications and Intelligence (C3I). The Director receives operational support from the Command Staff, which is composed of, among others, the Vice Director, Chief of Staff, Chief Information Officer, the Inspector General, General and Regulatory Counsel and the National Security Agency (NSA) Liaison. Eight Deputy Directors comprise DISA's Organizational Staff, which has oversight of major agency program activities and field offices.

DISA is currently headed by Director Albert J. Edmonds and is headquartered in Arlington, Virginia. The agency employs approximately 10,300 personnel on a worldwide basis, representing a 6% reduction from just over 11,000 employees at this time last year. Of the current total, 2,500 are military and 7,800 are civilian personnel. Roughly 25% of DISA's employees are located in the Washington, DC area.

The organizational structure of the Defense Information Systems Agency is presented in Exhibit 1.

Exhibit 1

## DISA Organization

Director

Vice Director

### Staff Offices:

- General Counsel
- Chief Regulatory Counsel
- Congressional Affairs
- Inspector General
- Equal Employment Opportunity and Cultural Diversity
- Vision 21
- Office of Small and Disadvantaged Business Utilization
- National Security Agency Liaison

### Program Offices:

- C4 and Intelligence Programs
- C4I Modeling, Simulation and Assessment
- Joint Requirements Analysis and Integration
- Engineering and Interoperability
  - Joint Interoperability Test Command
  - Joint Interoperability and Engineering Organization
  - Center for Computer Systems Engineering
  - Resource Management Directorate
  - Information Transfer Standards Department
  - Center for Systems Engineering
  - Management Support Directorate
- DISA WESTHEM
  - Personnel and Security Directorate
  - Logistics Directorate
  - Systems Implementation Directorate
  - Operations Directorate
- Procurement and Logistics
  - Defense Information Technology Contracting Office
- Operations
- Information
- Strategic Plans and Policy
- Comptroller
- Personnel and Manpower
- White House Communications Agency

Source: Carroll Publishing 1996

## Program Offices

Below are the major program and field offices within the Defense Information Systems Agency and a brief description of their primary responsibilities:

### *a. Personnel and Manpower*

The Office of Personnel and Manpower provides worldwide plans, programs and oversight for DISA's civilian and military personnel, human resource development, executive services and security. In addition to worldwide responsibilities, the Deputy Director for Personnel and Manpower is responsible for providing direct service support to all DISA activities in the National Capital Region.

### *b. C4 and Intelligence Programs*

This office has primary staff responsibility for the project management, technical development and planning for life-cycle management of all DISA C4I programs. The office has the authority and responsibility for systems development, configuration control and program budgeting. It also coordinates the engineering and testing functions for DISA, and it is responsible for management and training of all agency acquisition personnel.

### *c. Operations*

The Office of Operations ensures that C4I and DII operational requirements for soldiers and supporting organizations are met. It plans and directs the integration, synchronization and life-cycle support of all assigned operational systems and services. The office also integrates DISA's C4I support of major exercise, contingency and wartime operations and directs the DISA Battle Staff.



*d. Procurement and Logistics*

This DISA office has performance and effectiveness oversight of the agency's logistics and procurement activities. It offers policy guidance on all issues having logistic implications, and it directs and manages the DISA procurement system for information technology requirements.

- *Defense Information Technology Contracting Office* — The Defense Information Technology Contracting Office (DITCO) acquires, accounts and pays for the information technology supplies and services required by DISA and other DoD and civilian agencies, as mandated by the Deputy Director for Procurement and Logistics.

*e. Strategic Plans and Policy*

The Office of Strategic Plans and Policy has primary staff responsibility for policy development, strategic planning, integrated program development and capstone architecture oversight for the Director of DISA.

*f. Engineering and Interoperability*

This office conducts information systems engineering support to all DISA programs and information management initiatives. Its engineering and test activities are carried out through two principal organizations:

- *Joint Interoperability Test Command* — Headed by the Deputy Director for Engineering and Interoperability, the Test Command (JITC) provides technical assistance and operational support for all DoD battlefield information dissemination activities. It also installs and ensures functional interoperability of such systems for all Defense agencies.

- *Joint Interoperability and Engineering Organization* — Also headed by the Deputy Director for Engineering and Interoperability, the Organization (JIEO) provides C4I information systems engineering support required by any element of DISA. Engineering support activities include architecture design, technical integration, standards and best business practices development, business process reengineering, data administration, systems hardware and software engineering, hardware and software development, test and evaluation, systems installation and information systems security.

*g. Joint Requirements Analysis and Integration*

This office develops, analyzes, validates and integrates functional information technology requirements across the Department of Defense. In executing this mission, the office is the sole cross-functional/cross-service integrator for all such requirements for the Defense Information Infrastructure.

*h. C4I Modeling, Simulation and Assessment*

This office is charged with analyzing requirements and developing options for Defense C4I systems. It simulates and implements such options in joint planning, modeling, systems development and training exercises. Furthermore, it develops C4I requirements based on its studies and net assessments of DII systems, plans, programs and strategies.

*i. White House Communications Agency*

The White House Communications Agency (WHCA) provides telecommunications, ADP and related support to the President, Vice President, White House Senior Staff, National Security Council, U.S. Secret Service and others, as directed by the White House Military Office. Support is provided both in Washington, DC and on Executive trip sites worldwide.

*j. DISA WESTHEM*

The DISA WESTHEM Commander represents the Director and serves as his agent to execute DISA's programs within the Western Hemisphere. The office manages the DII and selected C4I systems in support of the National Command Authority, the Secretary of Defense and the Joint Staff. It also represents the requirements of all DISA customers within the region to other DISA components, such as the DISA Pacific and European Commands.

## Program Activities

While it is involved in a host of activities, the Defense Information Systems Agency has identified four primary program areas of the Defense Information Infrastructure as its core mission:

*a. Global Command and Control System*

DISA develops, implements and executes the Global Command and Control System (GCCS), an automated information system designed to support deliberate and crisis planning for the Department of Defense. The system utilizes an integrated set of analytical tools and interoperable data transfer capabilities to support battlefield operations. GCCS is an advanced version of the Worldwide Military Command and Control System (WWMCCS), which it is gradually replacing.

*b. Defense Information Systems Network*

The Defense Information Systems Agency manages and controls the direction and implementation of the Defense Information Systems Network (DISN), a Defense-wide program that calls for an integrated global communications network to connect voice, data and video networks into one system. While far from completion, two major efforts are currently underway to allow interoperability among Army, Air Force and Navy information systems and to create new common-user systems among all DoD agencies.

*c. Defense Message System*

DISA is charged with improving the quality and security of messaging within the Department of Defense, simultaneous with reducing related costs and staffing levels. To this end, the agency develops and executes all activities related to the Defense Message System (DMS), including all hardware, software, procedural, interoperability, personnel and facility requirements for the electronic delivery of messages among organizations and individuals within DoD.

*d. Global Combat Support System*

Under the Global Combat Support System (GCSS), DISA implements the broader DoD concept of C4I for the Warrior (C4IFTW). Relying on the methodology, tools and integration procedures of GCCS, DMS and DISN, DISA is responsible for integrating remaining stove-piped systems within the Department of Defense to achieve a common operating environment. Efforts are primarily focused on acquisition, logistics, engineering, finance and health services application systems.



## Information Technology Budget

The information technology (IT) budget of the Defense Information Systems Agency is expected to experience moderate growth over the next several years. Stagnant and even negative compound annual growth rates (CAGR) shown in Exhibit 2 are attributable to DISA's low budget forecasts to the Office of Management and Budget (OMB) for 1997, a common theme among all Defense agencies since faced with overall consolidation and downsizing.

Historically, DISA has allocated more funds for IT than it has projected, and its IT spending will likely experience sustained growth. DISA will continue to rely heavily on processing and telecommunications

services, while spending on personnel is expected to decline sharply with continued automation and consolidation of functions. Also of note is the agency's contracted out portion of its total IT budget. In 1996, DISA allocated \$2.4 billion, or 86%, of its total IT budget to vendors. This figure is expected to increase to over \$2.6 billion in 2001, representing 90% of the total IT budget for that year — a growing share of a growing budget.

The CAGR for DISA's total IT spending over the period shown is 1%. The information technology budget of the Defense Information Systems Agency is provided in Exhibit 2. Figures are rounded to the nearest million and may account for subtotal discrepancies.

Exhibit 2

### Information Technology Budget of the Defense Information Systems Agency

Category	1996	1997	1998	1999	2000	2001	CAGR 1996-2001
<b>Equipment:</b>							
Capital Purchases	\$179	\$139	\$142	\$146	\$150	\$155	-3%
Other Purchases and Leases	15	15	16	16	17	17	2%
<b>Total Equipment</b>	<b>195</b>	<b>155</b>	<b>158</b>	<b>162</b>	<b>167</b>	<b>172</b>	<b>-2%</b>
<b>Software:</b>							
Capital Purchases	56	39	40	41	43	45	-4%
Other Purchases and Leases	1	1	1	1	1	1	3%
<b>Total Software</b>	<b>57</b>	<b>40</b>	<b>41</b>	<b>42</b>	<b>44</b>	<b>46</b>	<b>-4%</b>
<b>Services (Processing and Telecom.)</b>	<b>1,577</b>	<b>1,503</b>	<b>1,533</b>	<b>1,571</b>	<b>1,618</b>	<b>1,675</b>	<b>1%</b>
<b>Support Services</b>	<b>459</b>	<b>490</b>	<b>509</b>	<b>532</b>	<b>559</b>	<b>590</b>	<b>5%</b>
<b>Supplies</b>	<b>15</b>	<b>14</b>	<b>14</b>	<b>14</b>	<b>15</b>	<b>15</b>	<b>0%</b>
<b>Personnel</b>	<b>356</b>	<b>328</b>	<b>321</b>	<b>312</b>	<b>299</b>	<b>284</b>	<b>-4%</b>
<b>Other FIP Resources</b>	<b>88</b>	<b>116</b>	<b>119</b>	<b>123</b>	<b>128</b>	<b>134</b>	<b>9%</b>
<b>Contracted Out Portion of IT Budget</b>	<b>2,376</b>	<b>2,302</b>	<b>2,360</b>	<b>2,431</b>	<b>2,516</b>	<b>2,617</b>	<b>2%</b>
<b>Total IT Budget</b>	<b>2,747</b>	<b>2,644</b>	<b>2,695</b>	<b>2,757</b>	<b>2,830</b>	<b>2,916</b>	<b>1%</b>

All figures in \$ Millions

Source: Defense Information Systems Agency and INPUT



## IT Contract Opportunities

The major Defense Information Systems Agency acquisitions summarized below are currently active:

### *a. Defense Information Systems Network (DISN)*

Type: Multiple Award

DISA requires an integrated global communications network to connect DoD voice, data and video networks into one common-user system. Several active procurements fall under the DISN initiative:

- *Hawaii Information Transfer System (HITS)*

Type: Firm Fixed Price

DISA has a requirement for engineering, planning, implementation and network management services to provide a seamless and transparent voice, data and video teleconferencing network for DISA customers in Hawaii.

- *DISN Transmission Services - CONUS (DTSC)*

Type: IDIQ

The agency has a need for transmission services for the continental United States (CONUS) to support voice, data, video and imagery data transfer within a synchronous optical network backbone.

- *DISN Video Services - Global (DVSG)*

Type: IDIQ

DISA requires worldwide video teleconferencing services and related network equipment which conform to International Telecommunications Union (ITU) standards.

- *DISN Transmission Services - Pacific (DTS-P)*

Type: IDIQ

The agency intends to acquire transmission and encryption services capable of supporting digital, voice,

wireless and data transfer within the Pacific region. Also required are operation and maintenance services of all necessary communication facilities and equipment.

- *DISN Transmission Services - Europe (DTS-E)*

Type: IDIQ

DISA requires transmission and encryption services capable of supporting digital, voice, wireless and data transfer within Europe. Operation and maintenance services of all necessary communication facilities and equipment will also be acquired.

- *DISN Transmission Services - Wireless (DTS-W)*

Type: IDIQ

The agency has a need for wireless DISN transmission services on a global scale to support all DoD branches and agencies. The DTS-W contract will provide telecommunications services, devices and accessories.

### *b. DISA Consumer Oriented Modification Program (DCOMP)*

Type: Multiple Award

The agency intends to consolidate the ADP functions of 59 DoD and military service data processing installations (DPI) into 16 DoD Mega-Centers (DMC). Several requirements are anticipated under this program:

- *DCOMP Front End Processor (DCOMP-FEP)*

Type: IDIQ

While currently on hold until fiscal year 1998, the agency will likely provide the DoD Mega-Center consolidation program with front-end processors (FEP) compatible with 370/390 equipment and upgrades.

- *DCOMP Mainframe Upgrades and Replacements (DCOMP-CPU)*  
Type: IDIQ  
DISA will be procuring System 370/390 architecture-compatible central processing unit (CPU) replacements and upgrades for the 16 Mega-Centers.
  - *DCOMP Direct Access Storage Devices (DCOMP-DASD)*  
Type: IDIQ  
DISA intends to acquire direct access storage devices (DASD) at each of the 16 consolidated Mega-Centers to further implement the Consumer Oriented Modification Program.
  - *DCOMP Robotic Tape Libraries (DCOMP-RTL)*  
Type: IDIQ  
To achieve labor reductions and cost savings, DISA has a requirement for an automated tape library/robotic tape library (ATL/RTL) at each of the DoD data processing Mega-Centers.
  - *DCOMP Remote Job Entry Devices (DCOMP-RJED)*  
Type: IDIQ  
While currently on hold until fiscal year 1998, DISA will likely provide the DoD Mega-Center consolidation program with remote job entry devices for its employees.
- c. *Joint Interoperability Engineering Organization Omnibus (JIEO)*  
Type: IDIQ  
The Joint Interoperability Engineering Organization has a requirement for systems engineering and technical assistance services (SETA) at its command centers.
- d. *Automated Document Conversion System*  
Type: TBD  
The Defense Information Technology Contracting Office has a requirement for a commercial off-the-shelf (COTS) document conversion system capable of hard copy to digital, analog to digital and digital to digital media conversions.

- e. *INFOSEC Technical Support Recompete (ITS)*  
Type: IDIQ  
INPUT expects the Defense Information Systems Agency to recompet a requirement for information systems security (INFOSEC) applications for DoD and other federal agencies.
- f. *Worldwide Management Support Services for the Defense Switched Network*  
Type: Cost Plus Fixed Fee  
DISA will likely recompet its contract for worldwide technical and managerial support in the development, acquisition, implementation and operation of the Defense Switched Network (DSN).
- g. *Communications for TROJAN/Intelligence Electronic Warfare (TROJAN/IEW)*  
Type: TBD  
The agency has a requirement for a dedicated, point-to-point digital communications system serving 100 worldwide locations and a central complex at Fort Belvoir, Virginia.
- h. *Phase V Standard Base Level Computer*  
Type: TBD  
DISA intends to offer a follow-on to Phase IV of the Standard Base Level Computer contract, which provides the Air Force with hardware and software acquisition and maintenance, as well as DoD-wide technical support services.
- i. *On-Site Preventative and Remedial Hardware Maintenance*  
Type: TBD  
DISA intends to acquire on-site preventative and remedial hardware maintenance for 15 Defense Mega-Centers, as well as Satellite Data Processing Installations/ Information Processing Centers (DPI/IPC) at six remote locations.



*j. Acquisition of Telecommunications Services in Support of Military Exercises in the Pacific*

Type: TBD

DITCO has an ongoing requirement for telecommunications services and equipment in support of military operations and simulations in the Pacific region.

*k. Joint Interoperability and Engineering Organization Defense Information Infrastructure Integration Contract (JIEO-DIIC)*

Type: IDIQ

JIEO intends to acquire integration services to support the Defense Information Infrastructure, including building portable common support applications and data segments, building modular executive software and environment components and fielding the integrated products globally.

*l. Defense Enterprise Integration Services III (DEIS III)*

Type: IDIQ

DISA will likely recompet the Defense Enterprise Integration Services contracts which provide a wide range of integration services, such as providing migration strategies, assessment support, integration engineering, prototyping and testing.

*m. VAX Hardware Maintenance*

Type: Firm Fixed Price

The Defense Information Systems Agency has an ongoing requirement for NCS VAX and Integraph mainframe maintenance services.

## **DISA Acquisition Profile**

Exhibit 3 provides a graphical summary of the procurement vehicles used by the Defense Information Systems Agency to acquire its IT products and services, as well as the type of contractor providing them. These figures reflect shares of the total information technology contract dollars obligated by the agency in fiscal year 1995.

Other than full and open competition encompasses various solicitation vehicles, including 8(a) set-asides, limited competition, as well as negotiated and alternate source purchases. Domestic contractors performing work outside the continental U.S. and non-profit organizations are categorized as "other" contractors.

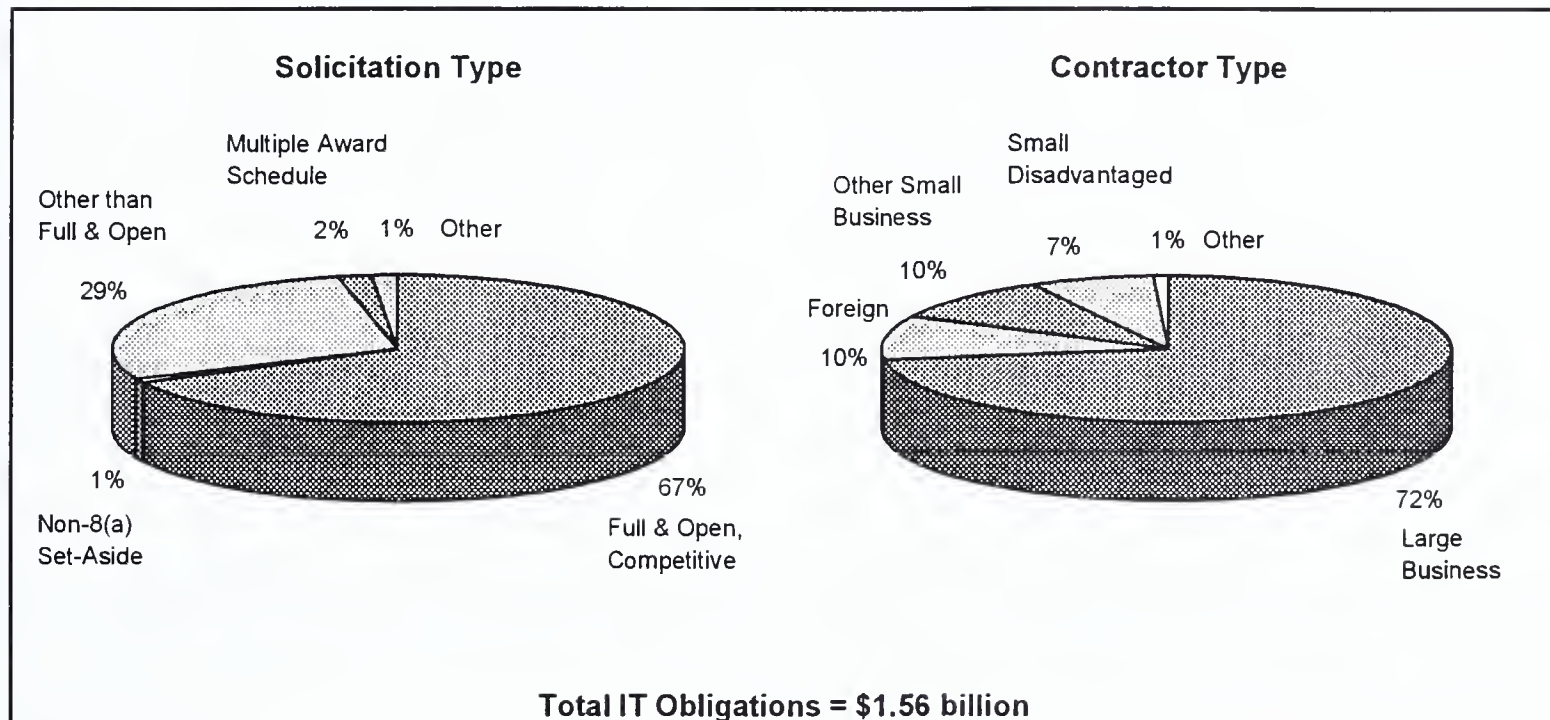
## **Top Contractors and Obligations by State**

A list of the top IT contractors with the Defense Information Systems Agency is provided in Exhibit 4. Exhibit 5 lists the top 20 states of performance for the agency's IT obligations. Contract obligations are the government's intent to purchase, and while not necessarily spent, they do reflect actual spending trends. Contract actions performed in Washington, DC, Maryland and Virginia comprised 75% of DISA's total IT obligations in 1995. This data is based on fiscal year 1995 contract actions filed with the Federal Procurement Data Center (FPDC) at GSA.



Exhibit 3

### Acquisition Profile for the Defense Information Systems Agency FY 1995



Source: FPDC and INPUT

Exhibit 4

### Top Contractors at DISA FY 1995

1. Computer Sciences Corporation
2. AT&T Corporation
3. BDM International
4. GTE Corporation
5. MCI Telecommunications Corporation
6. Alascom, Inc.
7. N.E.T. Federal, Inc.
8. COMSAT Corporation
9. Electronic Data Systems Corporation
10. Unisys Corporation

Source: FPDC

### Major Contracts

Exhibit 6 provides a brief overview of the major active IT contracts at the Defense Information Systems Agency. Currently, the agency has 12 major indefinite delivery/indefinite quantity (IDIQ) contracts in place, which have a potential combined life-time value of \$6.1 billion. INPUT speculates increased use of agency and interagency IDIQ contracts in response to the simplification of regulations governing the purchase of commercial items. This information is taken from INPUT's IMPACT database of active and awarded IT programs.

Exhibit 5

**Top Defense Information Systems Agency Obligations by State  
FY 1995**

State	IT Obligations	State	IT Obligations
1. Virginia	\$708,033	11. Texas	\$18,350
2. Maryland	\$231,547	12. Colorado	\$13,933
3. Alaska	\$83,110	13. California	\$11,044
4. Washington, DC	\$63,995	14. Connecticut	\$5,330
5. Ohio	\$44,802	15. Pennsylvania	\$5,236
6. New York	\$28,487	16. Missouri	\$5,185
7. Illinois	\$26,078	17. Hawaii	\$4,371
8. New Jersey	\$23,953	18. Michigan	\$4,305
9. Washington	\$21,079	19. Massachusetts	\$3,715
10. North Carolina	\$19,002	20. Florida	\$2,840

All figures in \$ Thousands

Source: FPDC and INPUT

Exhibit 6

**Major Contracts at the Defense Information Systems Agency**

<u>Program</u>	<u>Type</u>	<u>Size</u>	<u>Description</u>
1. System Engineering for the Defense Information System Network (SETA)	Professional Services — Cost Plus Award Fee	\$11M 5 yrs.	AT&T provides systems engineering and technical services in support of the Defense Information System Network prototype, including design, development, evaluation and integration services.  Awarded in December 1991.
2. Technical Support Services for the Nuclear Planning and Execution System	Professional Services — IDIQ	\$3M 5 yrs.	Paramax Systems provides technical and software support, as well as related ADP functions, for the Nuclear Planning and Execution System (NPES) and Joint Staff communities.  Awarded in March 1992.
3. Worldwide Management Support Services for the Defense Switched Network	Professional Services — Cost Plus Fixed Fee	\$50M 5 yrs.	GTE Government Systems provides worldwide technical and managerial support in the development, acquisition, implementation and operation of the Defense Switched Network (DSN).  Awarded in November 1992.
4. CIM SETA Support Contract (CIM SETA)	Professional Services — IDIQ	\$200M 5 yrs.	EDS, SAIC, CACI, Abacus Technology and SofTech provide systems engineering and technical support services for DISA's Center for Software, previously known as the Center for Information Management (CIM).  Awarded in May 1993.

## Major Contracts at the Defense Information Systems Agency (cont.)

<u>Program</u>	<u>Type</u>	<u>Size</u>	<u>Description</u>
5. Operation of Secure Video Teleconferencing System	Network Services — Firm Fixed Price	\$4M 5 yrs.	Kestrel Associates provides day-to-day operation of the Secure Video Teleconferencing System, a communications system used by the highest levels of government.  Awarded in June 1993.
6. Government Emergency Telecommunications Service (GETS)	Network Services — Cost Plus Award Fee	\$50M 10 yrs.	AT&T, MCI, US Sprint and GTE provide emergency telecommunications services to the federal government in the event of damage to the public switched network from natural disasters or war.  Awarded in July 1993.
7. SCAMPI Telecommunications Network (SCAMPI)	Network Services — IDIQ	\$20M 5 yrs.	SIGCOM provides for the design, engineering, installation and maintenance of SCAMPI, a leased telecommunications network used to transfer C3I between the U.S. Special Operations Command and its components, as well as other federal agencies.  Awarded in July 1993.
8. Secure Video Teleconferencing System Engineering Support and Maintenance (SVTS)	Professional Services — Firm Fixed Price	\$15M 5 yrs.	Harris provides for the design, development, procurement, installation and testing of improvements and enhancements to the Secure Video Teleconferencing System.  Awarded in September 1993.
9. AFTAC Development Seismic Network (ADSN)	Network Services — Firm Fixed Price	\$2M 5 yrs.	Infonet Services provides a global communications network with a central hub in Albuquerque, New Mexico and a secondary hub at Patrick AFB, Florida.  Awarded in September 1993.
10. AFRTS Worldwide TV and Radio Service (AFRTS)	Network Services — Firm Fixed Price	\$59M 10 yrs.	US Electro Dynamics operates the Armed Forces Radio and TV Service (AFRTS), designed to provide timely American news, sports, information and entertainment to U.S. forces in 10 foreign countries.  Awarded in May 1994.
11. Global Transportation Network for the USTRANSCOM (GTN)	Hardware/Software — Cost Plus Award Fee	\$38M 7 yrs.	Unisys develops, fields and maintains a command and control system which supports decision-making in peacetime, crisis and wartime for the United States Transportation Command (USTRANSCOM).  Awarded in March 1995.
12. Internal Management Information System (IMIS)	Network Services — Unk.	\$4M 5 yrs.	Decision Systems Technology develops, administers and maintains the Internal Management Information System to facilitate internal communications within DISA.  Awarded in April 1995.
13. Defense Message System (DMS-GOSIP)	Network Services — IDIQ	\$500M 8 yrs.	Lockheed Martin (formerly Loral Federal) provides the design and implementation of a worldwide secure messaging system to replace the Automatic Digital Network (AUTODIN) in all DoD agencies.  Awarded in May 1995.



## Major Contracts at the Defense Information Systems Agency (cont.)

<u>Program</u>	<u>Type</u>	<u>Size</u>	<u>Description</u>
14. INFOSEC Technical Services Contract (CISS-ITS)	Professional Services — IDIQ	\$6M 5 yrs.	CSC, SAIC and Merdan Group provide technical support for information systems security (INFOSEC) applications to DoD and other federal agencies.  Awarded in July 1995.
15. System Engineering and Technical Assistance for the NCS (SETA)	Professional Services — Cost Plus Award Fee	\$46M 5 yrs.	Booz-Allen & Hamilton provides the National Communications System (NCS) Office with technical and engineering expertise to perform system planning, operational analyses and automated program planning.  Awarded in August 1995.
16. Technical Support Contract for National Security and Emergency Preparedness (NS/EP)	Professional Services — Cost Plus Award Fee	\$7M 5 yrs.	SETA Corporation provides the National Communications System (NCS) Office with technical and engineering expertise to perform system planning, operational analyses and automated program planning.  Awarded in September 1995.
17. ATM Service	Network Services — Firm Fixed Price	Unk. 4 yrs.	MCI provides DoD and other federal agencies with high speed asynchronous transfer mode (ATM) communications service between front-end computers, including system-level hardware and software.  Awarded in November 1995.
18. INMARSAT Digital Usage Services (INMARSAT)	Network Services — IDIQ	\$3M 5 yrs.	COMSAT and IDB Mobil Communications provide the Department of Defense with International Maritime Satellite (INMARSAT) usage services.  Awarded in February 1996.
19. Software Maintenance	Professional Services — Unk.	\$50M 2 yrs.	IBM provides the Defense Information Technology Contracting Office with software maintenance and upgrade services.  Awarded in March 1996.
20. SETA for National Military Command System	Professional Services — IDIQ	\$32M 5 yrs.	Booz-Allen & Hamilton provides the Joint Interoperability and Engineering Organization with command center systems engineering and technical support services for the National Military Command System (NMCS).  Awarded in April 1996.
21. DISN Support Services - Global (DSSG)	Network Services — IDIQ	\$2.0B 5 yrs.	Boeing provides international network and telecommunications services to DoD personnel, supporting implementation of the DISN effort to connect voice, data and video networks into one system.  Awarded in June 1996.
22. Defense Enterprise Integration Services II (DEIS II)	Professional Services — IDIQ	\$3.0B 5 yrs.	CSC, BDM, EDS, Lockheed Martin, Unisys and Boeing provide ongoing support services for all phases of the technical integration functions throughout the Department of Defense agencies.  Awarded in July 1996.

## Major Contracts at the Defense Information Systems Agency (cont.)

<u>Program</u>	<u>Type</u>	<u>Size</u>	<u>Description</u>
23. DISN Switch/Bandwidth Manager Services - CONUS (DS/BMSC)	Network Services — IDIQ	\$88M 9 yrs.	MCI provides circuit switching and bandwidth management services within the continental U.S. (CONUS) in support of the Defense Information Systems Network.  Awarded in August 1996.
24. Wide Area Network Services (DISANet)	Network Services — IDIQ	\$75M 5 yrs.	PROSOFT provides wide area network (WAN) operations and maintenance support for DISANet, a Windows NT-based network with 20 locations throughout the Washington, DC area.  Awarded in September 1996.
25. Technical Support for DISA's Integrated Information Management System (IIMS)	Professional Services — Cost Plus Award Fee	\$15M 5 yrs.	Soza & Company, LTD provides ongoing technical support for the Integrated Information Management System (IIMS) in the Joint Systems Support Center.  Awarded in September 1996.
26. Global Command and Control System Maintenance Contract (GCCS)	Professional Services — IDIQ	\$193M 5 yrs.	Raytheon E-Systems provides technical support and hardware and software maintenance, upgrades and licenses for the Worldwide Military Command and Control System (WWMCCS), which will evolve into the Global Command and Control System.  Awarded in September 1996.

Source: INPUT

## Issues at DISA

1. The Defense Information Systems Agency recently awarded the second phase of the Defense Enterprise Integration Services (DEIS) initiative to six prime contractors — BDM, Boeing, CSC, EDS, Lockheed Martin and Unisys. DISA began the initiative in November of 1993 to support the technical integration functions within DoD agencies and centers, such as the Defense Logistics Agency, the Defense Finance and Accounting Service and within DISA itself. While DEIS II endeavors to continue these services, the current initiative differs in several notable aspects.

First, DEIS II has been expanded to include all agencies and branches of the Department of Defense, and even to civilian agencies. The \$3 billion, five-year program is intended

to support the entire Defense Department's migration to an integrated and interoperable Defense Information Infrastructure. Specifically, it will support the full development, worldwide deployment and operation and maintenance of all DoD common, standard and migration systems.

Furthermore, the DEIS II contracts espouse the principles set forth in recent federal acquisition reform legislation, notably the principle of streamlining. The June 5, 1996 award date came less than one year after DISA approved the DEIS acquisition strategy and only four months after the final RFP was released. The contracts themselves have changed to include business process reengineering and other functional process improvements within DoD information systems — not a strong focus under the DEIS I effort.



Finally, while the prime contractors under DEIS have remained unchanged since 1993, teams are significantly reconfigured from the original DEIS. The number of subcontractors per prime currently ranges from 32 to 48, compared to 7 to 18 under DEIS I, offering more solutions and efficiency. Also, 77% of the subs on DEIS II are new to the initiative (they were not on DEIS I), and a record-high 58% are small, small disadvantaged or women-owned small businesses.

2. After several protests and law suits, DISA was officially cleared to begin work on the Defense Information Systems Network (DISN) in August of this year. DISN is the Defense-wide effort that calls for an integrated global communications network to connect voice, data and video networks into one system. The \$2 billion Defense Support Services - Global (DSSG) portion of DISN was awarded to Boeing on June 12, but was protested by Government Systems, Inc. (GSI) at GAO and in U.S. District Court.

Despite stop work orders, DISA moved forth with the contract to Boeing out of a "compelling need" for the services. The agency was not officially cleared to begin work on DISN until GSI dropped both suits on August 22, when it entered into direct settlement negotiations with Boeing. Shortly thereafter, DISA awarded MCI the \$88 million switch and bandwidth management portion of DISN (DS/BMSC). Six DISN contracts remain to be awarded.

3. On August 22, 1996, DISA released Version 1.0 of the DoD Joint Technical Architecture (JTA), a document that identifies a common set of mandatory information technology standards and guidelines to be used in all new and upgraded C4I acquisitions across DoD.

JTA draws on the existing Technical Architecture Framework for Information Management (TAFIM), which provides general guidance and documents the processes for defining technical architectures. The release of JTA comes only two months after DISA released Version 2.0 of its Common Operating Environment (COE) specifications, which offers a DoD-wide set of common UNIX software components. JTA documents can be obtained via the Internet at "<http://www.itsi.disa.mil/jta.html>".

4. DISA is in the final testing stages of the e-mail packages offered under the Defense Message System (DMS) program. Awarded to Lockheed Martin in May 1995, DMS is designed to offer interoperable messaging systems within the entire Department of Defense on a worldwide basis. More than a year later, commercial software components are only now beginning to comply with DMS requirements. Three vendors — Lotus Development, Microsoft and Enterprise Solutions — offer interoperable e-mail versions under the program. Since DMS users will be allowed to choose their own version, competition among the vendors is expected to be fierce.

5. Despite having a contract with Norman Data Defense Systems for anti-virus software, DISA awarded a one-year, \$500,000 contract to Indelible Blue to distribute IBM's AntiVirus software throughout the Department of Defense. While IBM software reseller CCL won a similar contract in February 1995, the award was protested on the grounds that IBM did not qualify for the small business set-aside contract. At that time, Norman Data won the recompete; however, many end-users have since complained of size requirements and the inability to distribute Norman Data products electronically.



6. DISA recently decided to abandon an effort designed less than one year ago to streamline the acquisition of commercial software products. Basic ordering agreements (BOAs) were designed to simplify software buys by standardizing terms and conditions for all suppliers and their products. Vendors have not been able to agree on such a standard, however, which has forced DISA to create several BOAs — thereby losing their potential benefit. In response, DISA increasingly conducts large volume commercial software buys through existing requirements contracts, such as the Air Force's Integrated Computer-Aided Software Engineering (I-CASE) contract held by Logicon.

7. To encourage interoperability within the Department of Defense, DISA recently purchased 180,000 licenses for Netscape Communications' Navigator 2.0 Web browser. The \$3.3 million purchase, conducted through the Air Force's I-CASE contract, will be used to advance the Defense Information Infrastructure (DII) by offering free software copies to any program manager building systems compatible with Version 2.0 of DoD's Common Operating Environment.

8. On April 30, 1996, the Pentagon unveiled yet another proposal to streamline its activities. Being targeted by this latest round of proposed cuts are DoD's laboratories and test and evaluation (T&E) centers nation-wide, with 20% of all current operations slated for potential closure. The plan, dubbed Vision 21, is mandated under Section 277 of the National Defense Authorization Act for Fiscal Year 1996.

While the Army, Air Force, Navy and the Defense Special Weapons Agency will likely be hardest hit, DISA is also targeted under the plan. Namely, the Joint Interoperability Test Command (JITC) at Fort Huachuca, Arizona is slated for potential closure or consolidation by the year 2005.

9. GAO and DISA continue to warn Congress on the dangers associated with inadequate electronic information security, notably within the Defense Department. In its report (AIMD-96-84), GAO cites DoD's increased use of the Internet to enhance communication and information sharing as a central element to growing vulnerability in information security. DISA estimates that the Department experienced approximately 250,000 attacks in 1995, and that this number is steadily increasing. Under its Vulnerability Analysis and Assessment Program, DISA conducted 38,000 deliberate attacks on DoD systems since 1992. Of these, 65% were successful, only 4% were detected and, of these, only 27% or 267 attacks were reported back to DISA.

## On-Line Information Resources

The Defense Information Systems Agency maintains a World Wide Web home page accessible at "<http://www.disa.mil>". This site contains extensive information on agency organization, core mission and program areas, as well as documents related to the Defense Information Infrastructure, such as the Joint Technical Architecture. Links to major DISA field offices are also provided.

For business opportunities and information, DISA offers a one-stop link to all of its procurement organizations, which can be accessed directly at "<http://www.disa.mil/line/boai.html>". Among the resources offered at this site are long-range IRM plans, solicitation announcements and documents, acquisition regulations and points of contact.

DISA also maintains two electronic bulletin board systems (BBS) — DABBS and ITABBS — both of which can be accessed at (618) 256-9200. The DABBS system is used to procure telecommunications equipment and services, while ITABBS is used for information technology procurement opportunities.

## **Major Points of Contact**

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This Agency Profile is issued as part of INPUT's Federal IT Market Analysis Program. If you have questions or comments on this profile, please call your local INPUT organization or Marco de Vries at INPUT, 1921 Gallows Road, Suite 250, Vienna, VA 22182-3900. Tel. (703) 847-6870.

# Agency Profile

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## Department of Agriculture

### Purpose

The Department of Agriculture (USDA) is the primary federal agency which develops the domestic agricultural industry and rural communities, preserves and enhances the environment, reduces poverty and malnutrition and provides standards for and inspection of the domestic food supply.

The Department develops the domestic agricultural industry and rural communities through financial support and utility development. Poverty and malnutrition is curbed through welfare and financial aid programs, such as the food stamps program. The Department also develops standards and safeguards designed to protect people from food contaminants.

### Organization

The Department of Agriculture was created by act of May 15, 1862 (7 U.S.C. 2201) but did not become an executive department until 1889, when its powers and duties were enlarged. The Department was restructured into its present form under the Federal Crop Insurance Reform and Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6901 note).

The USDA is administered by the Secretary of Agriculture, appointed by the President with the advice and consent of the Senate, who is aided by the Deputy Secretary, six Under Secretaries and three Assistant Secretaries. The Under and Assistant Secretaries are responsible for the daily activities of the Department's various program areas. Direct operational support to the Secretary is provided primarily by the Chief of Staff, Chief Financial Officer, Chief Information Officer, Chief Economist and the Inspector General.

The Department of Agriculture carries out its activities through an extensive network of partnerships with public and private entities, and it conducts these activities in a largely decentralized manner. Departmental oversight and direction are carried out at USDA's Washington, DC headquarters.

The USDA is currently directed by Secretary Daniel R. Glickman and employs approximately 98,200 people nationwide, a 3% reduction from approximately 101,300 employees at this time last year. Slightly more than 10% of the Department's employees are located within the Washington, DC area.

The organizational structure of the Department of Agriculture is presented in Exhibit 1.



## Exhibit 1

**Department of Agriculture Organization**

Secretary

Deputy Secretary

**Staff Offices:**

- Chief of Staff
- Chief Financial Officer
- Chief Information Officer
- Chief Economist
- Communications
- Budget and Program Analysis
- General Counsel
- Inspector General
- Judicial Officer
- Department of Agriculture Graduate School

**Major Program Offices:**

- Administration
- Farm and Foreign Agriculture Services
- Food, Nutrition and Consumer Services
- Food Safety
- Marketing and Regulatory Programs
- Natural Resources and Environment
- Research, Education and Economics
- Rural Development
- Congressional Relations

Source: Carroll Publishing 1996

**Program Activities**

Below are the seven primary functions of the Department of Agriculture and a brief description of the corresponding USDA organizations.

*a. Rural Development*

The Department of Agriculture assists in improving the quality of life for rural Americans. To this end, the Department fosters cooperative relationships among government, industry and communities and administers rural development loan and grant programs through three agencies and approximately 1,580 rural development field

offices, which report directly to the Under Secretary for Rural Development.

- *Rural Business-Cooperative Service* — The Service (RBS) was established by Public Law 103-354 to carry out principal programs under the Consolidated Farm and Rural Development Act and the Food, Agriculture, Conservation and Trade Act of 1990, both designed to provide leadership in building competitive rural businesses. The major activities of RBS include commercial lending, revolving loan funds, technical assistance, empowerment programs and cooperative services.
- *Rural Housing Service* — The Rural Housing Service (RHS) provides loans and grants to rural residents and communities unable to obtain credit from commercial sources. The Service operates under Title V of the Housing Act of 1949 and the Consolidated Farm and Rural Development Act.
- *Rural Utilities Service* — The Rural Utilities Service (RUS) operates the Electric Program and the Telecommunications Program to assist rural electric and telephone utilities in obtaining financing. Financing is used to construct electric generating plants, as well as transmission and distribution lines to provide reliable electric and telecommunications service. RUS also administers a nationwide water and waste disposal loan and grant program.

*b. Marketing and Regulatory Programs*

The Department of Agriculture administers a host of marketing and regulatory programs to promote agricultural products and standards other than those concerned with food safety. Headed by the Assistant Secretary for Marketing and Regulatory Programs, three primary USDA organizations execute these programs.

- *Agricultural Marketing Service* — The Agricultural Marketing Service was established by the Secretary of Agriculture on April 2, 1972, under the authority of Reorganization Plan No. 2 of 1953. The Service administers various programs to promote U.S. agricultural industry at home and abroad, including standardization, grading, inspection and quality assurance, certification, market news, marketing orders, research and regulatory programs.
- *Animal and Plant Health Inspection Service* — The Service was established to conduct regulatory and control programs to protect and improve the health of animals and plants. In cooperation with state governments, the organization administers federal laws and regulations pertaining to animal and plant health and quarantine, humane treatment of animals and the control and eradication of pests and diseases. It also carries out research and operational activities to reduce natural crop and livestock depredations.
- *Grain Inspection, Packers and Stockyards Administration* — The Administration (GIPSA) comprises the former Federal Grain Inspection Service and the former Packers and Stockyards Administration. GIPSA is responsible for establishing official U.S. standards for grain and other assigned commodities, and for administering a nationwide official inspection and weighing system. It also authorizes private and state agencies to perform official services under the authority contained in the Food Security Act of 1985.

#### c. *Food Safety*

The Department of Agriculture administers inspection and regulatory programs to promote food safety. Headed by the Under Secretary for Food Safety, the Food Safety and Inspection Service is the primary USDA

organization charged with carrying out these programs.

- *Food Safety and Inspection Service* — The Service (FSIS) was established by the Secretary of Agriculture on June 17, 1981. FSIS is delegated with the authority to regulate the meat, poultry and egg industry to ensure that products moving in interstate and foreign commerce are safe for consumption and are accurately labeled. The Service also inspects facilities and equipment to ensure compliance with all federal safety and sanitation regulations.

#### d. *Food, Nutrition and Consumer Services*

The USDA coordinates consumer education and outreach activities, encourages consumer involvement in agricultural policy-making and ensures that consumer concerns and interests are adequately addressed. It also emphasizes the use of Electronic Benefits Transfer (EBT) to eliminate paper distribution of nutritional assistance programs, such as food stamps.

- *Food and Consumer Service* — In cooperation with state and local governments, the Food and Consumer Service is the primary USDA organization that administers programs to make food assistance available to people who need it. Major programs include food stamps, food distribution and school breakfast and summer school nutritional programs. The Service, formerly the Food and Nutrition Service, was established on August 8, 1969.

#### e. *Farm and Foreign Agricultural Services*

The Department of Agriculture administers farm commodity, crop insurance and resource conservation programs for farmers, and it makes agricultural assistance loans through a network of state and county offices. Agency programs are directed at agricultural producers or, in the case of loans, at those with farming experience.



- *Farm Service Agency* — The Farm Service Agency administers commodity, emergency assistance and related land use programs designed for voluntary production adjustment, resource protection and price, market and farm income stabilization. Program operations and administration are largely carried out at the state and agricultural county levels, which are headed by local committees appointed by the Secretary of Agriculture.
- *Commodity Credit Corporation* — The Corporation stabilizes and protects farm income and prices, assists in maintaining balanced and adequate supplies of agricultural commodities and facilitates the orderly distribution of such commodities. The Corporation is managed by a seven-member board of directors, subject to the general supervision and direction of the Secretary of Agriculture, who is the *ex officio* director and chairman of the board.
- *Federal Crop Insurance Corporation* — The Corporation (FCIC) is a government-owned corporate entity whose purpose is to improve the economic stability of agriculture through a system of crop insurance. FCIC funds protect against unavoidable production losses and provide an alternate form of coverage for crops that are currently not insurable.
- *Foreign Agricultural Service* — The Foreign Agricultural Service (FAS) has primary responsibility for USDA's overseas market information, access and development programs. It also administers export and foreign food assistance programs through a network of agricultural counselors, attaches and trade officers stationed overseas.

### *f. Research, Education and Economics*

The Department of Agriculture creates, applies and transfers knowledge and technology in an effort to provide affordable,

safe and nutritional food products. To this end, the Department conducts integrated research, information, education and statistical programs and services on a national and international basis.

- *Agricultural Research Service* — The Service (ARS) develops and provides access to information and technology needed to solve technical agricultural problems of broad scope and high national priority. Headquartered in Beltsville, Maryland, the ARS carries out its research activities at 104 domestic and three overseas locations. Much of this research is conducted in cooperation with state universities and experiment stations, other federal agencies and private organizations.
- *Cooperative State Research, Education and Extension Service* — The Service (CSREES) combines the functions of the former Cooperative State Research Service and the Extension Service to link the research and education resources and activities of USDA, and it works with various public and private institutions to maximize their effectiveness. CSREES relies heavily on distance learning programs and, as a result, places significant effort in the design, organization and application of advanced communication technologies.
- *Economic Research Service* — The Economic Research Service (ERS) provides economic and other social science information and analysis related to agriculture, food, natural resources and rural America. The information is available to the general public and is utilized by the executive and legislative branches to develop, administer and evaluate agricultural and rural policies and programs. ERS also administers the Office of Energy and New Uses, which serves as the focal point for all energy-related matters within the Department.



- *National Agricultural Statistics Service* — This USDA organization prepares estimates and reports on production, supply, price and other items necessary for the orderly operation of the U.S. agricultural economy. The Service performs reimbursable survey work and statistical consulting services for other federal and state agencies, and it provides technical assistance for developing agricultural data systems in other countries.
- *Department of Agriculture Graduate School* — The Department of Agriculture Graduate School is a continuing education school offering career-related training. It is self-supporting and does not receive direct appropriated funds from Congress or the Department of Agriculture. USDA does, however, provide much of the school's faculty and general supervision.

*g. Natural Resources and Environment*  
The Department of Agriculture provides stewardship of approximately 75% of the nation's total land area. Under this program activity, the Department strives to preserve natural resources and sustain productive ecosystems through research and educational activities, as well as financial assistance programs. Two primary organizations are charged with these activities:

- *Forest Service* — The Forest Service was created by the Transfer Act of February 1, 1905, which transferred responsibility of the federal forest reserves from the Department of the Interior to the Department of Agriculture. To maintain woodland integrity and sustainability, the Service provides technical and financial assistance to state and private forest landowners, advocates conservation ethics, offers international technical assistance

and scientific exchanges and provides work, training and education to the unemployed.

- *Natural Resources Conservation Service* — The Natural Resources Conservation Service (NRCS), formerly the Soil Conservation Service, has national responsibility for assisting farmers, ranchers and other private landowners in the development and execution of voluntary efforts to conserve and protect natural resources. The Service is USDA's primary organization for the delivery of technical assistance to landowners for conservation purposes.

## Program Budget

Federal funding for the Department of Agriculture's various program activities is expected to remain relatively constant over the next several years. However, in an effort to decentralize administrative functions within the Department, a significant level of funding is expected to be transferred from the Departmental Administration account to the Office of the Secretary, Chief Financial Officer and Executive Operations accounts.

USDA's rural development programs are also anticipated to undergo a fundamental shift from housing and community assistance — expected to lose 38% in federal funds from fiscal year 1995 to fiscal year 1997 — to business and cooperative partnership assistance — expected to gain 37% in federal funds over the same time period.

The program budget for the Department of Agriculture is presented in Exhibit 2. These figures represent gross funds and do not account for offsetting collections or changes in orders on hand from federal sources, where applicable.

## Exhibit 2

## Program Budget of the Department of Agriculture

Program Activity	FY 1995 (actual)	FY 1996 (estimate)	FY 1997 (estimate)
Office of the Secretary	\$10	\$16	\$17
Chief Financial Officer	1	5	5
Executive Operations	9	23	24
Departmental Administration	47	39	41
Hazardous Waste Management	16	16	16
Agriculture Buildings and Facilities	137	139	153
Office of Communications	12	11	11
Office of the Inspector General	64	65	66
Office of the General Counsel	28	30	30
Economic Research Service	63	60	62
National Agricultural Statistics Service	89	89	111
Agricultural Research Service	752	755	770
Cooperative State Research, Education and Extension Service	932	901	847
Animal and Plant Health Inspection Service	497	498	503
Food Safety and Inspection Service	612	642	664
Grain Inspection, Packers and Stockyards Administration	23	23	29
Agricultural Marketing Service	539	650	495
Farm Service Agency	7,639	6,043	7,745
Natural Resources Conservation Service	802	859	1,019
Rural Utilities Service	NA	65	70
Rural Housing and Community Development Service	2,110	1,720	1,303
Rural Business and Cooperative Development Service	92	107	126
Foreign Agricultural Service	1,026	749	716
Food and Consumer Service	40,212	39,747	42,910
Forest Service	3,018	2,770	2,754

All figures in \$ Millions

Source: Budget of the United States Government FY1997, February 5, 1996

## Information Technology Budget

The Department of Agriculture is expected to rely heavily on information technology (IT) over the next five years, spending for which will likely surpass \$1 billion in 1997. Of particular note is the Department's increase in spending on leases of equipment and support services, anticipated to witness a compound annual growth rate (CAGR) of 10% and 11% from 1996 to 2001, respectively. Spending on personnel is the only category expected to decline over this time period, falling from \$304 million in 1996 to \$232 million in 2001.

Another key anticipated trend is the relative increase of the contracted out portion of USDA's total IT budget. Currently, the Department allocates \$651 million, or 67%, of its total IT budget to vendors. In 2001, this figure is expected to grow to \$947 million, representing 78% of the total budget for that year.

The CAGR for USDA's total IT spending over the period shown is 4%. The information technology budget of the Department of Agriculture is provided in Exhibit 3. Figures are rounded to the nearest million and may account for subtotal discrepancies.

Exhibit 3

### Information Technology Budget of the Department of Agriculture

Category	1996	1997	1998	1999	2000	2001	CAGR 1996- 2001
<b>Equipment:</b>							
Capital Purchases	\$249	\$253	\$263	\$276	\$293	\$313	5%
Other Purchases and Leases	32	42	44	46	49	52	10%
<b>Total Equipment</b>	<b>281</b>	<b>295</b>	<b>307</b>	<b>322</b>	<b>341</b>	<b>365</b>	<b>5%</b>
<b>Software:</b>							
Capital Purchases	45	47	50	53	58	63	7%
Other Purchases and Leases	24	27	29	31	33	36	8%
<b>Total Software</b>	<b>69</b>	<b>74</b>	<b>78</b>	<b>84</b>	<b>91</b>	<b>99</b>	<b>7%</b>
<b>Services (Processing and Telecom.)</b>	<b>54</b>	<b>52</b>	<b>54</b>	<b>57</b>	<b>60</b>	<b>64</b>	<b>4%</b>
<b>Support Services</b>	<b>247</b>	<b>291</b>	<b>314</b>	<b>343</b>	<b>377</b>	<b>418</b>	<b>11%</b>
<b>Supplies</b>	<b>21</b>	<b>22</b>	<b>23</b>	<b>24</b>	<b>25</b>	<b>27</b>	<b>5%</b>
<b>Personnel</b>	<b>304</b>	<b>311</b>	<b>299</b>	<b>281</b>	<b>258</b>	<b>232</b>	<b>-5%</b>
<b>Contracted Out Portion of IT Budget</b>	<b>651</b>	<b>712</b>	<b>754</b>	<b>805</b>	<b>869</b>	<b>947</b>	<b>8%</b>
<b>Total IT Budget</b>	<b>976</b>	<b>1,045</b>	<b>1,075</b>	<b>1,110</b>	<b>1,153</b>	<b>1,206</b>	<b>4%</b>

All figures in \$ Millions

Source: Department of Agriculture and INPUT



## IT Contract Opportunities

The major Department of Agriculture acquisitions summarized below are currently active:

### *a. Modernization of Administrative Processes (MAP)*

To improve its services to the public and reduce the cost of business transactions, USDA has a requirement for modern systems and consulting and design services to streamline and improve its administrative processes.

### *b. ADP Support Services*

The Department's Farm Service Agency and the Natural Resources Conservation Service have a requirement for a wide range of support services, including software engineering, operational support for computer and telecommunications networks, information management, application development and imaging support.

### *c. ADP/IRM Support Services*

The Farmers Home Administration (FmHA) has an ongoing requirement for applications software development, system software development, office automation, project management and other related ADP/IRM functions.

### *d. Interagency Cache Business System (ICBS)*

USDA's Forest Service and the Bureau of Land Management have a joint requirement to modernize their hardware/software platforms in a UNIX operating environment. The relational database management system is intended to address the inventory and delivery needs of caches, coordination centers and numerous fiscal personnel providing equipment and supplies for combating natural disasters.

### *e. Calendar Year 2000 Software*

The USDA's National Information Technology Center in Kansas City, Missouri has a requirement for commercial off-the-shelf (COTS) software which identifies, analyzes and converts problems of source code, databases and files related to calendar year 2000 date calculations.

### *f. Procurement System Development*

The USDA has a requirement for a new departmental procurement system capable of archiving and retrieving data, providing data security, electronic commerce and electronic data interchange (EC/EDI) and interfacing with other administrative systems.

### *g. Automated Records Management System (ARMS)*

The Department of Agriculture intends to acquire a records management system for the distribution of documents to all USDA agencies, bureaus and field offices either electronically or by CD-ROM.

### *h. Remote Sensing and Image Processing*

USDA's Forest Service has a requirement for remote sensing and image processing software modules for its 900 field offices nationwide. The software will process environmental digital data and information acquired through various remote sensors and satellites.

### *i. Local Area Network Support Acquisition Project (LAN-SAP)*

The Department of Agriculture's Office of Information Management intends to recompute its local area network (LAN) support contract, which services the Department's various headquarters offices in Washington, DC.

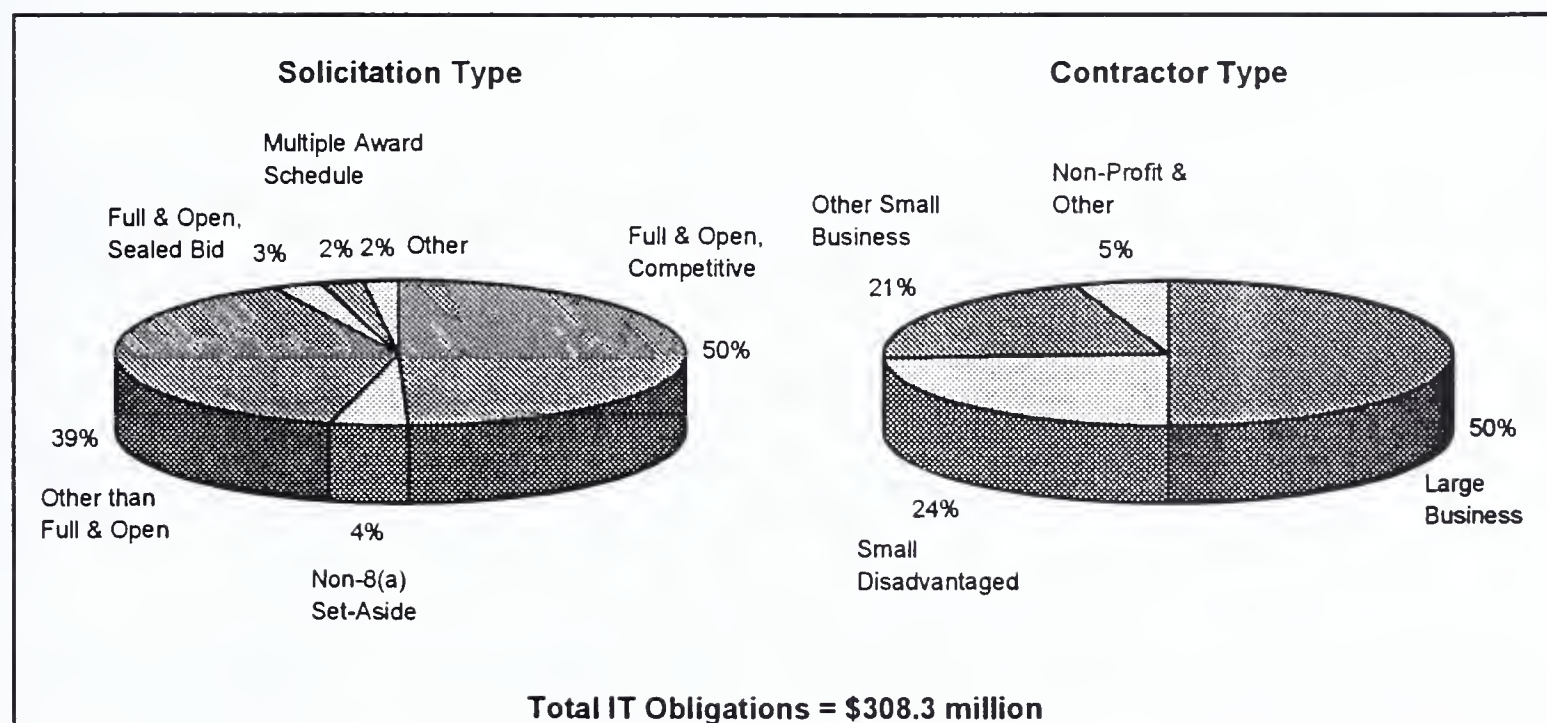
## USDA Acquisition Profile

Exhibit 4 provides a graphical summary of the procurement vehicles used by the Department of Agriculture to acquire its IT products and services, as well as the type of contractor providing them. These figures reflect shares of the total information technology contract dollars obligated by the agency in fiscal year 1995.

Other than full and open competition encompasses various solicitation vehicles, including 8(a) set-asides, limited competition, as well as negotiated and alternate source purchases. Non-profit organizations, foreign contractors and state and local governments are categorized under "non-profit and other" contractors.

Exhibit 4

### Acquisition Profile for the Department of Agriculture FY 1995



Source: FPDC and INPUT

## Top Contractors and Obligations by State

A list of the top IT contractors with the Department of Agriculture is provided in Exhibit 5. Exhibit 6 lists the top 20 states of performance for the agency's IT obligations. Contract obligations are the government's intent to purchase, and while not necessarily spent, they do reflect actual spending trends. Contract actions performed in Washington, DC, Maryland and Virginia comprised 45% of the USDA's total IT obligations in 1995. This data is based on fiscal year 1995 contract actions filed with the Federal Procurement Data Center at GSA.

Exhibit 5

### Top Contractors at the USDA FY 1995

1. IBM Corporation
2. Marshall & Swift
3. FISERV
4. NYMA Corporation
5. Computer Consulting
6. American Management Systems
7. Unisys Corporation
8. GTE Corporation
9. Research Management Consultants
10. CCL, Inc.

Source: Federal Procurement Data Center

Exhibit 6

### Top Department of Agriculture Obligations by State FY 1995

State	IT Obligations	State	IT Obligations
1. Washington, DC	\$91,414	11. Oregon	\$2,620
2. Missouri	\$57,259	12. Texas	\$2,412
3. Colorado	\$54,339	13. Georgia	\$2,410
4. Virginia	\$27,505	14. Wisconsin	\$1,722
5. Maryland	\$23,309	15. Montana	\$1,654
6. California	\$12,134	16. Pennsylvania	\$1,496
7. Louisiana	\$10,844	17. Michigan	\$1,460
8. Massachusetts	\$4,300	18. New York	\$1,404
9. New Jersey	\$3,371	19. Ohio	\$1,322
10. North Carolina	\$2,783	20. Florida	\$1,293

All figures in \$ Thousands

Source: FPDC and INPUT



## Major Contracts

Exhibit 7 provides a brief overview of the major active IT contracts at the Department of Agriculture. Currently, the agency has four major indefinite delivery/indefinite quantity (IDIQ) contracts in place, which have a potential combined life-time value of

\$321 million. INPUT speculates increased use of agency and interagency IDIQ contracts in response to the simplification of regulations governing the purchase of commercial items. This information is taken from INPUT's IMPACT database of active and awarded IT programs.

Exhibit 7

### Major Contracts at the Department of Agriculture

<u>Program</u>	<u>Type</u>	<u>Size</u>	<u>Description</u>
1. Integrated Financial Management Information System (IFMIS)	Professional Services — Firm Fixed Price	\$11M 7 yrs.	KPMG Peat Marwick provides an integrated financial and program management system that links federal program accounting, budgeting and funds management for the Food and Consumer Service.  Awarded in September 1990.
2. Software Support Services for PCIMS (PCIMS)	Professional Services — IDIQ	\$24M 5 yrs.	EDS provides software support services for the Processed Commodities Inventory Management System (PCIMS), a comprehensive management information system used to purchase and distribute agricultural commodities throughout the U.S.  Awarded in September 1993.
3. Lease of Mainframe CPU	Hardware/ Software — Firm Fixed Price	\$10M Unk.	CCL, Inc. provides the Department of Agriculture Office of Operations with a leased central processing unit.  Awarded in April 1994.
4. Computer Facility Management	Professional Services — IDIQ	\$8M 5 yrs.	Kajax Engineering provides comprehensive computer facilities management support for USDA's Commodity Credit Corporation.  Awarded in August 1994.
5. Cotton Management System (CMS)	Professional Services — Cost Plus Fixed Fee	\$13M 5 yrs.	EDS provides daily operations and maintenance of the Cotton Management System, one of three major inventory management systems at the Kansas City Commodity Office.  Awarded in December 1994.
6. Integrated Information Management Program (FEDCAC 107)	Professional Services — IDIQ	\$276M 12 yrs.	IBM provides ADP systems and integration services at 880 Forest Service offices nationwide to support office automation functions and provide a tool for managing spatially referenced natural resource information.  Awarded in February 1995.

## Major Contracts at the Department of Agriculture (cont.)

<u>Program</u>	<u>Type</u>	<u>Size</u>	<u>Description</u>
7. Long-Term Support Services	Professional Services — IDIQ	\$13M 5 yrs.	Management Assistance Corporation provides professional and technical support services for the Telecommunications and Applications Service Center in Fort Collins, Colorado and the National Information Technology Center in Kansas City, Missouri.  Awarded in April 1995.
8. ADP/IRM Support Services	Professional Services — Firm Fixed Price	\$105M 5 yrs.	Unisys provides the Farmers Home Administration with applications software development, system software development, office automation, project management and other related ADP/IRM functions.  Awarded in June 1995.
9. Integrated Systems Acquisition Project (ISAP)	Hardware/Software — Firm Fixed Price	\$425M 11 yrs.	Lockheed Martin (formerly IBM Government Systems) provides the Animal and Plant Health Inspection Service with LANs, WANs, micro- and mini-computers, peripherals, software and support services for its nationwide integrated office automation network.  Awarded in September 1995.
10. Field Automation and Information Management (FAIM)	Hardware/Software — Firm Fixed Price	\$40M 4 yrs.	Bay State Computers provides the Department's field staff with 4,100 desktop and notebook PCs to allow enhanced communications between offices and information access from remote locations.  Awarded in August 1996.

Source: INPUT

## Issues at the USDA

1. Despite ongoing criticism from Congress and GAO on its spending and management habits, the Department of Agriculture will likely receive much of its requested funding for fiscal year 1997. The Food Safety and Inspection Service, for example, received all of its requested funding under a recent House-Senate conference agreement, including funds that were previously cut from Agriculture's appropriations bill by the Senate Appropriations Committee. Included among these programs was \$8.5 million allocated for the recently-awarded Field Automation and Information Management (FAIM) project.

While Agriculture's funding is not drastically being cut, Congress has forced the agency to adopt performance-based measures in pursuing major initiatives, perhaps the most obvious representation of which is USDA's Info Share program. The program began in 1993 as a \$2.6 billion agency-wide effort to reengineer its business processes and to develop interoperable systems among USDA agencies in a consolidated manner. Without a clear set of objectives and continued mismanagement, Info Share's program office was disbanded in December of 1995 due to a lack of funding from Congress. In 1996, funding for the program was reduced to a mere \$7.5 million, mandated for testing new technologies before large investments can be made.



2. The Department of Agriculture is continuing its reform efforts to reduce the level of mismanagement and fraud in various nutritional programs. The Team Nutrition Initiative, launched by the Food and Consumer Service in fiscal year 1995, is a compilation of several financial assistance and multimedia educational programs. Many of these programs, including the \$28 billion food stamps program, have come under attack by GAO for improper procurement methods, lack of technical guidance to contractors and a failure to accurately measure the costs and benefits of the programs (T-RCED-96-247).

A more tangible burden on Team Nutrition activities has been the level of public fraud and theft in financial assistance programs, notably in food stamps. In an effort to curb this burden, USDA intends to link commercial cash register-scanned data with electronic benefits transactions to determine proper resource allocation and usage. The agency already utilizes bar code scanners for tracking inventory, and it is currently developing a pilot project to test new hardware and software systems capable of linking the technologies.

3. Under the fiscal year 1997 Department of Agriculture appropriations bill, the Secretary of Agriculture will likely receive the authority to offer buyouts to USDA employees. In a continuing effort to reduce employment levels within the agency, provisions were included in the Senate to allow buyouts of \$25,000 or severance pay for fiscal year 1997, whichever is the smaller amount, and \$5,000 less each year thereafter through fiscal year 2000. The Department of Agriculture has yet to provide a strategic employment reduction plan to Congress before the new authority can materialize.

4. The Department of Agriculture is conducting an on-line pilot program known as the Purchase Card Management System. The pilot is designed to streamline the processing of government credit card statements by eliminating all paper-work, a move expected to cut the administrative cost of making purchases on the government's IMPAC credit card from \$32 to \$17 per transaction. If successful, the system will likely be implemented in other federal agencies.

5. As with all federal entities, USDA is grappling with the inevitable Year 2000 problem regarding computer date entry. The House Subcommittee on Government Management, Information and Technology rated the Department of Agriculture's overall efforts at devising a strategy to cope with the problem with a "D". While the agency released a request for information to industry almost one year ago for commercial off-the-shelf software, it has been reviewing potential solutions ever since — with no concrete plan in place. Recently, the USDA and Department of Energy did announce a joint industry conference and exposition to help focus their date conversion efforts. The conference will be held November 6, 1996 at USDA headquarters. More information can be obtained by calling (800) 878-2940 ext. 212.

6. The General Accounting Office continues to criticize the Department of Agriculture for lack of initiative in solving internal telephone abuse and fraud (AIMD-96-59). Unauthorized long-distance, international and accepted collect calls are only a few of the ongoing problems cited in GAO's report to Congress. Despite the discovery of such practices as early as 1993, the USDA has not taken even the most rudimentary measures, such as reviewing its commercial telephone and telephone credit card bills.



## On-Line Information Resources

The Department of Agriculture maintains a World Wide Web home page accessible at "<http://www.usda.gov>". This site contains USDA organizational information, press releases, coverage of major issues and agricultural legislation, as well as descriptions of major departmental program activities.

Also provided is a link to procurement information within the agency, which can be accessed directly at "<http://www.usda.gov/da/procure.htm>". Agriculture's acquisition organizations and contacts are provided, in addition to information on current business opportunities. USDA's National Information Technology Center recently unveiled its own World Wide Web home page, which can be reached at "<http://www.net.usda.gov/oo/technology.htm>".

## Major Points of Contact

### Secretary of Agriculture

Daniel R. Glickman  
14th Street and Independence Avenue, S.W.  
Washington, DC 20250  
(202) 720-3631

### Acting Chief Information Officer

Anne F. Thomson Reed  
(202) 720-8833

### Director, National Information Technology Center

Henry A. Bauer III  
(816) 926-6501

### Director, Office of Communications

Tom Amontree  
(202) 720-4623

### Assistant Secretary for Administration

Wardell C. Townsend, Jr.  
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This Agency Profile is issued as part of INPUT's Federal IT Market Analysis Program. If you have questions or comments on this profile, please call your local INPUT organization or Marco de Vries at INPUT, 1921 Gallows Road, Suite 250, Vienna, VA 22182-3900. Tel. (703) 847-6870.

# Agency Profile

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## Department of the Air Force

### Purpose

The Department of the Air Force is responsible for preserving the peace and security of the United States through effective control and manipulation of air and space activities.

### Organization

The Department of the Air Force was established as part of the National Military Establishment by the National Security Act of 1947 (61 Stat. 502). The National Security Act Amendments of 1949 (63 Stat. 578) provided that the Department of the Air Force be a military department within the Department of Defense.

As with all military departments, the operation and control of the Air Force are subject to the direction of the President, as Commander in Chief, and the Secretary of Defense. Authority for managing and administering the activities of the Department of the Air Force is delegated to the Secretary of the Air Force, who is appointed by the President with the advice and consent of the Senate. The Under Secretary of the Air Force is the primary assistant to the Secretary, who is further aided by four Assistant Secretaries, General Counsel, the Administrative Assistant,

Legislative Liaison, the several Directors and Chiefs, the Auditor General and the Inspector General.

The Air Staff, presided over by the Air Force Chief of Staff, is the military staff of the Secretary which renders professional advice and assistance to all officials of the Air Force Secretariat. The Chief of Staff is the principal military adviser to the Secretary of the Air Force and is charged with the planning, development and execution of all Air Force programs. The Chief of Staff is also directly responsible for the eight major Air Force command units.

The Department is currently directed by Secretary of the Air Force Sheila E. Widnall and employs approximately 388,000 active duty military personnel and 186,000 civilian personnel. Respectively, these figures represent a 3% and a 1% reduction from 1995 employment levels, reflective of ongoing Air Force downsizing. The Air Force carries out its mission at its Pentagon headquarters in Washington, DC, eight individual command headquarters, 38 field operating agencies and at 77 major active duty base installations throughout the U.S.

The organizational structure of the Department of the Air Force is presented in Exhibit 1 and Exhibit 2.

Exhibit 1

## Air Force Staff Organization

Secretary

Under Secretary

### Secretariat:

- Deputy Under Secretary (International Affairs)
- Assistant Secretary (Financial Management and Comptroller)
- Assistant Secretary (Space)
- Assistant Secretary (Acquisition)
- Assistant Secretary (Manpower, Reserve Affairs, Installations and Environment)
- Small and Disadvantaged Business Utilization
- General Counsel
- Auditor General
- Inspector General
- Legislative Liaison
- Public Affairs
- Administrative Assistant

### Air Staff:

- Chief of Staff
- Vice Chief of Staff
  - Assistant Chief of Staff (Intelligence)
  - Deputy Chief of Staff (Personnel)
  - Deputy Chief of Staff (Plans and Operations)
  - Deputy Chief of Staff (Logistics)
  - Deputy Chief of Staff (Command, Control, Communications and Computers)
  - Civil Engineer
  - Chief of Safety
  - Chief of Security Police
  - Air Force Historian
  - Chief Scientist
  - Chief of Air Force Reserve
  - National Guard Bureau
  - USAF Scientific Advisory Board
  - Judge Advocate General
  - Test and Evaluation
  - Programs and Evaluation
  - Surgeon General
  - Chief of Chaplains
  - Services

Source: U.S. Government Manual 1996

Exhibit 2

## Air Force Field Organization

Chief of Staff

### Major Commands:

- Air Combat Command
- Air Mobility Command
- Space Command
- Special Operations Command
- Air Education and Training Command
- Materiel Command
  - Aeronautical Systems Center
  - Electronic Systems Center
  - Air Force Office of Scientific Research
  - Space and Missile Systems Center
  - Divisions, Laboratories and Centers
  - Logistics Directorates
  - Requirements
- Pacific Air Forces
- U.S. Air Forces in Europe

### Direct Reporting Units:

- 11th Support Wing
- Operational Test and Evaluation Center
- U.S. Air Force Academy

**Field Operating Agencies** (38 organizations)

Source: Carroll Publishing 1996

## Major Commands

Below are the primary commands within the Department of the Air Force and a brief description of their responsibilities:

### a. Air Combat Command

The Air Combat Command (ACC) is responsible for continental U.S.-based fighters, bombers, intercontinental ballistic missiles (ICBMs), reconnaissance aircraft, C3I platforms and limited theater airlifts and tankers. It provides forces directly to the Unified Commands or augments theater air forces already deployed.



### *b. Materiel Command*

The Air Force Materiel Command (AFMC) researches, develops, tests, acquires, delivers and logistically supports every Air Force weapon system. It is responsible for weapon system inception, operational life support and final system disposition. To this end, the Command operates major product, logistics and test centers and laboratories throughout the U.S. Below is a brief description of the major AFMC centers:

- *Aeronautical Systems Center* — Based at Wright-Patterson AFB in Ohio, the Aeronautical Systems Center (ASC) is the Air Force's foremost aeronautical systems research and development unit. The Center develops, acquires and implements such systems and provides overall guidance for interoperability and quality control. Its activities are primarily conducted through the Wright Laboratories and Armstrong Laboratory.
- *Electronic Systems Center* — The Electronic Systems Center (ESC), located at Hanscom AFB, Massachusetts, is the Air Force's center for the development and acquisition of command, control, communications, computer and intelligence (C4I) systems. To monitor enemy forces and enhance battlefield data dissemination, ESC produces systems that combine computers, radars, information displays and communications gear. Its activities are largely conducted through the Rome Laboratories.
- *Space and Missile Systems Center* — This Center (SMC) works closely with the Air Force Space Command to develop and acquire space and missile weapon systems. Located at Los Angeles AFB, California, SMC also provides satellite and launch control programs and serves as a clearinghouse for Air Force modeling and simulation activities. Many operational

SMC activities are conducted through Phillips Laboratory, located at Kirtland AFB, New Mexico.

- *Air Force Office of Scientific Research* — The Office of Scientific Research (AFOSR) directs the Air Force's entire basic research program. AFOSR responsibilities include the transfer of research results to working models and existing systems, the establishment and advancement of new and current weapon systems technologies and the training of industry and Air Force personnel for production and final use of new systems.

### *c. Air Mobility Command*

The Air Force's Air Mobility Command (AMC) is responsible for all inter-theater airlift assets and most of the U.S. tanker and theater airlift force.

### *d. Space Command*

The Space Command provides resource management and operation of assigned assets for space control, space force application, force enhancement, space support and strategic aerospace defense. It also operates the Air Force's space and ballistic missile systems. The Command provides a close link between its space activities and, through the joint forces U.S. Space Command, the Unified Command structure.

### *e. Special Operations Command*

This Command organizes, trains and equips the Department of the Air Force special operations forces. It also serves as the Air Force component of the United States Special Operations Command (USSOCOM).

### *f. Air Education and Training Command*

This Command recruits, commissions and trains Air Force enlisted and officer personnel. It provides basic military training, initial and advanced technical training, undergraduate and graduate flying training

and professional military and degree-granting professional education. The Command also conducts medical service, readiness and Air Force security assistance training.

*g. Pacific Air Forces*

The Pacific Air Forces is a major departmental command and serves as the Air Force component of the U.S. Pacific Command. Its primary mission is to organize, train, equip, administer and prepare assigned forces for combat, including: fighter, reconnaissance, air control, close air support and defense suppression units conducting defensive and offensive air operations. It provides combat-ready air elements to the U.S. Pacific Command and participates in joint and combined air operations.

*h. U.S. Air Forces in Europe*

The United States Air Forces in Europe unit comprises the Air Force component of the U.S. European Command. Its primary mission is to organize, train, equip, administer and prepare assigned forces for combat. It provides combat-ready air elements to the U.S. European Command and participates in joint and combined air operations.

## Program Activities

In addition to the program activities conducted by the Air Force's major commands, the Department conducts a host of activities through its 38 field operating agencies and three direct reporting units. Because of their volume, only those agencies and their primary responsibilities that significantly affect information technology activities within the Air Force are discussed below:

*a. Air Force Communications Agency*

Formerly the Air Force Command, Control, Communications and Computer (C4) Agency, the Communications Agency (AFCA) ensures that C4 systems across the Air Force are integrated and interoperable. It develops and

validates C4 architectures, technical standards, requirements, policies, procedures and technical solutions.

*b. Air Force Flight Standards Agency*

The Agency manages the interoperability of civil and military airspace and air traffic control systems to ensure worldwide combat and peacetime capabilities.

*c. Air Force Frequency Management Agency*

The Agency implements the Air Force's use of the radio frequency electromagnetic spectrum. It develops procedures on a national and international basis within the scope of international agreements.

*d. Air Force Logistics Management Agency*

The Logistics Management Agency conducts studies and it develops, evaluates and recommends new or improved concepts, methods, systems or procedures that enhance logistics efficiency and effectiveness within the Department.

*e. Air Force Management Engineering Agency*

The Agency works with the Air Staff and major Air Force commands for department-wide process reengineering efforts. It provides data to determine manpower requirements and to manage manpower resources.

*f. Air Force Personnel Operations Agency*

The Agency performs all Air Force operational programs within the Washington, DC area. Its responsibilities include operation of personnel models and databases for force structure management and Air Force quality assessments.

*g. Air Force Program Executive Office*

The Air Force Program Executive Office manages and is directly accountable for the execution of major and selected acquisition programs.



*h. Air Force Services Agency*

The Agency supports Air Force bases, major commands and the Air Staff by providing technical assistance, fielding new initiatives, developing procedures and operating selected central support systems for all services programs.

*i. Air Force Pentagon Communications Agency*

The Agency provides the Secretary of Defense, Joint Chiefs of Staff, Secretary of the Air Force and Chief of Staff of the Air Force with C4 systems to satisfy critical national defense requirements and automated systems for preparing and submitting the President's budget. The Agency also secures C4 for the National Command Authority to evaluate global events and respond to crises.

*j. Air Force Civil Engineering Support Agency*

The Agency provides civil engineering technical assistance and operating support to Air Force bases and organizations, including engineering design, operations, maintenance and air base operability.

*k. Air Force Cost Analysis Agency*

The Agency develops cost analysis tools, methods, databases, models and automated systems which are used in resource allocation and cost management decisions throughout the Department of the Air Force.

*l. Air Force Operational Test and Evaluation Center*

The Center, an Air Force direct reporting unit, manages the Operational Test and Evaluation (OPT) Program and assesses the operational utility of all major and selected nonmajor Air Force systems.

**Program Budget**

Reflective of ongoing downsizing across all Defense agencies, the Air Force program budget will witness an overall decline from fiscal year 1995 to fiscal year 1997. Two major components of the budget — operation and maintenance and procurement — are anticipated to show a 9% and 10% reduction in federal funding over this time period, respectively. Research, development, test and evaluation activities are notable exceptions to this trend, expected to grow 23% from \$13 million in 1995 to over \$16 million in 1997. Total federal funding for the Air Force will decline 3% over the period shown.

The program budget for the Department of the Air Force is presented in Exhibit 3. These figures represent gross funds and do not account for offsetting collections or changes in orders on hand from federal sources, where applicable.



## Exhibit 3

## Program Budget of the Department of the Air Force

Program Activity	FY 1995 (actual)	FY 1996 (estimate)	FY 1997 (estimate)
<b>Military Personnel</b>	<b>\$20,276</b>	<b>\$19,485</b>	<b>\$19,373</b>
Air Force	18,210	17,426	17,286
Air Force Reserve	778	786	777
Air National Guard	1,288	1,273	1,310
<b>Operation and Maintenance</b>	<b>\$27,506</b>	<b>\$25,927</b>	<b>\$25,034</b>
Air Force	23,091	21,528	20,770
Air Force Reserve	1,525	1,554	1,527
Air National Guard	2,890	2,845	2,737
<b>Procurement</b>	<b>\$16,775</b>	<b>\$16,230</b>	<b>\$15,162</b>
Aircraft	6,057	7,128	5,887
Missile	3,331	2,513	2,846
Ammunition	287	336	NA
Other	7,100	6,253	6,429
<b>Military Construction</b>	<b>\$816</b>	<b>\$779</b>	<b>\$730</b>
Air Force	510	578	603
Air Force Reserve	57	36	52
Air National Guard	249	165	75
<b>Research, Development, Test and Evaluation</b>	<b>\$13,390</b>	<b>\$14,525</b>	<b>\$16,467</b>
<b>Family Housing</b>	<b>\$1,119</b>	<b>\$1,158</b>	<b>\$1,072</b>

All figures in \$ Millions

Source: Budget of the United States Government FY1997, February 5, 1996

## Information Technology Budget

The information technology (IT) budget of the Department of the Air Force is anticipated to sustain a minimal 1% compound annual growth rate (CAGR) over the next several years. While high growth is expected for capital purchases of IT equipment and for purchases and leases of software, the likely decline in spending on personnel will have a strong stagnating effect on the overall budget. Spending on personnel comprised 56%, or \$1.1 billion, of the Air Force's total information technology resources in 1996, and is declining 3% annually.

Historically, the Air Force has not contracted out as large a portion of its total IT budget as other Defense agencies. In 1996, the agency allocated \$864 million, or 42% of the total budget, to information technology vendors. Nevertheless, this figure is anticipated to grow to just under \$1.1 billion in 2001, or 51% of the total IT budget for that year — a growing share of a growing budget.

The information technology budget of the Department of the Air Force is provided in Exhibit 4. Figures are rounded to the nearest million and may account for subtotal discrepancies.

Exhibit 4

## Information Technology Budget of the Department of the Air Force

Category	1996	1997	1998	1999	2000	2001	CAGR 1996- 2001
<b>Equipment:</b>							
Capital Purchases	\$157	\$240	\$245	\$251	\$260	\$270	11%
Other Purchases and Leases	122	104	106	108	112	117	-1%
<b>Total Equipment</b>	<b>279</b>	<b>344</b>	<b>350</b>	<b>359</b>	<b>372</b>	<b>387</b>	<b>7%</b>
<b>Software:</b>							
Capital Purchases	.3	.6	.6	.6	.6	.6	19%
Other Purchases and Leases	7	11	11	12	12	13	14%
<b>Total Software</b>	<b>7</b>	<b>12</b>	<b>12</b>	<b>12</b>	<b>13</b>	<b>13</b>	<b>14%</b>
<b>Services (Processing and Telecom.)</b>	<b>121</b>	<b>133</b>	<b>135</b>	<b>139</b>	<b>143</b>	<b>148</b>	<b>4%</b>
<b>Support Services</b>	<b>426</b>	<b>400</b>	<b>416</b>	<b>435</b>	<b>456</b>	<b>481</b>	<b>3%</b>
<b>Supplies</b>	<b>40</b>	<b>43</b>	<b>44</b>	<b>45</b>	<b>47</b>	<b>48</b>	<b>4%</b>
<b>Personnel</b>	<b>1,129</b>	<b>1,128</b>	<b>1,105</b>	<b>1,072</b>	<b>1,029</b>	<b>978</b>	<b>-3%</b>
<b>Other FIP Resources</b>	<b>31</b>	<b>27</b>	<b>28</b>	<b>29</b>	<b>30</b>	<b>32</b>	<b>0%</b>
<b>Contracted Out Portion of IT Budget</b>	<b>864</b>	<b>915</b>	<b>941</b>	<b>974</b>	<b>1,014</b>	<b>1,061</b>	<b>4%</b>
<b>Total IT Budget</b>	<b>2,033</b>	<b>2,086</b>	<b>2,091</b>	<b>2,091</b>	<b>2,090</b>	<b>2,087</b>	<b>1%</b>

All figures in \$ Millions

Source: Department of the Air Force and INPUT

## IT Contract Opportunities

The Department of the Air Force is currently pursuing at least 42 major IT contract vehicles. Due to the volume of anticipated programs, the acquisitions summarized below are only those in the presolicitation stage:

*a. SMSCRC Follow-On for Maintenance*

Type: IDIQ

The Air Force intends to acquire minicomputers to replace AT&T 3B2 computers purchased from the Standard Multiuser Small Computer Requirements Contract (SMSCRC).

*b. Intelligence System Support (ISS)*

Type: Cost Plus Award Fee

The North American Aerospace Defense Command (NORAD) and the United States Space Command (USSPACECOM) intend to recompet a existing contract for intelligence system support services.

*c. Hyperchannel Replacement Program (HRP)*

Type: TBD

Air Force Global Weather Central (AFGWC) has a requirement for new technology to upgrade and replace its current local area network hardware and software.

*d. Desktop VI (DT VI)*

Type: IDIQ

The Air Force will likely recompile its agency-wide contract for personal desktop computers, portables, PC peripherals and PC software — all to operate primarily in a networked environment.

*e. Unified Local Area Network Architecture III (ULANA III)*

Type: IDIQ

The Department intends to offer a follow-on contract to provide, install, integrate, test and maintain the local area network (LAN) architecture throughout the DoD.

*f. Global Theater Weather Analysis & Prediction Systems (GTWAPS)*

Type: TBD

While currently on hold, the Air Force may acquire software development services to upgrade existing commercial off-the-shelf (COTS) and open architecture systems in order to host new weather analysis tools.

*g. Static Uninterruptible Power Supply (SUPS)*

Type: TBD

The Air Force has a requirement for preventive and remedial maintenance of static uninterruptible power supply (SUPS) systems and ancillary equipment on a worldwide basis.

*h. National Polar-Orbiting Operational Environmental Satellite System Demonstration and Validation (NPOESS)*

Type: TBD

The Air Force is seeking sources to perform a system level demonstration and validation effort in support of the National Polar-Orbiting Operational Environmental Satellite System.

*i. Scott Regional Processing Center Maintenance and Support Services*

Type: IDIQ

The AMC will recompile its contract for preventive and corrective systems hardware maintenance, software licensing and support services for the Scott Regional Processing Center at Scott AFB, Illinois.

*j. High Performance Computing (HPC)*

Type: TBD

The agency requires research, delivery and integration of new COTS technologies in support of the Air Force Development and Test Center's (AFDTC) HPC capabilities.

*k. C4 Outside Continental U.S. (C4 OCONUS)*

Type: IDIQ

The 38th Engineering Installation Wing (EIW) has a requirement for command, control, communications and computer (C4) engineering and installation services for the European Theater.

*l. Air Force Mission Support System Software Support (AFMSS)*

Type: TBD

The Electronic Systems Center expects to recompile its contract for software development and maintenance of the Air Force Mission Support System.

*m. Software Engineering and Technical Support for VAMOSC (VAMOSC)*

Type: TBD

The Air Force has a requirement for software engineering and technical support for its Visibility and Management of Operations and Support Costs (VAMOSC) information system.



*n. Program Management Support System (PMSS)*

Type: IDIQ

The AFMC has a requirement for software maintenance services to support the operation of the Program Management Support System.

*o. Defense IEMATS Replacement Command and Control Terminal (DIRECT)*

Type: TBD

The Air Force intends to replace the Improved Emergency Message Automatic Transmission System (IEMATS), a joint DoD system which provides the National Command Authority with an automated emergency messaging capability.

*p. Omnibus Mission Planning Systems*

Type: TBD

The agency requires engineering services and logistics support to maintain and test automated mission planning systems used for Air Force and foreign military sales.

*q. General ADP Support for HQ U.S. Central Command*

Type: Cost Plus Award Fee

The Air Force Headquarters' U.S. Central Command (USCENTCOM) at MacDill AFB has an ongoing requirement for general ADP support services.

*r. Contracted Analytical and Technical Services (CATS)*

Type: TBD

The Air Combat Command at Langley AFB requires on-site support and analysis for the translation of operational requirements into documented systems needs.

*s. Engineering and Technical Support Services*

Type: TBD

The Air Force Flight Test Center at Edwards AFB intends to acquire ongoing engineering and technical support services.

*t. Software Services for Warning Systems*

Type: TBD

The Air Force has an ongoing requirement for software services to support the operational warning systems installed at NORAD, USSPACECOM and Cheyenne Mountain AFB.

*u. C4 Engineering and Technical Services for Air Force Space Command*

Type: TBD

The Air Force intends to acquire engineering and integration support for NORAD and USSPACECOM C4 and sensor systems.

*v. NORAD/USSPACECOM Mission and Architecture Support*

Type: TBD

NORAD and USSPACECOM require technical assistance, systems integration analysis and documentation support for all their mission areas and associated systems.

*w. Strategic War Planning System (SWPS)*

Type: IDIQ

The Joint Strategic Target Planning Staff and the Strategic Air Command require ADP equipment, software, facilities support and systems engineering services for the Strategic War Planning System.

*x. SOCRATES Managerial and Technical Services (SOCRATES)*

Type: TBD

The U.S. Special Operations Command is seeking sources capable of supporting the Special Operations Command Research Analysis and Threat Evaluation System (SOCRATES).

*y. Databases for the 21st Century*

Type: TBD

The Air Force's Rome Laboratory has a requirement for database development and support for command and control warfare (C2W) operations and national migration systems.

*z. Computing Environment STRATCOM Architecture (CESAR)*

Type: TBD

Offutt AFB intends to consolidate its computing infrastructure to support the U.S. Strategic Command's war planning and command and control missions.

*aa. Technical/Management Support for ASC*

Type: IDIQ

The Aeronautical Systems Center (ASC) at Wright-Patterson AFB has a requirement for consolidated technical and management support services.

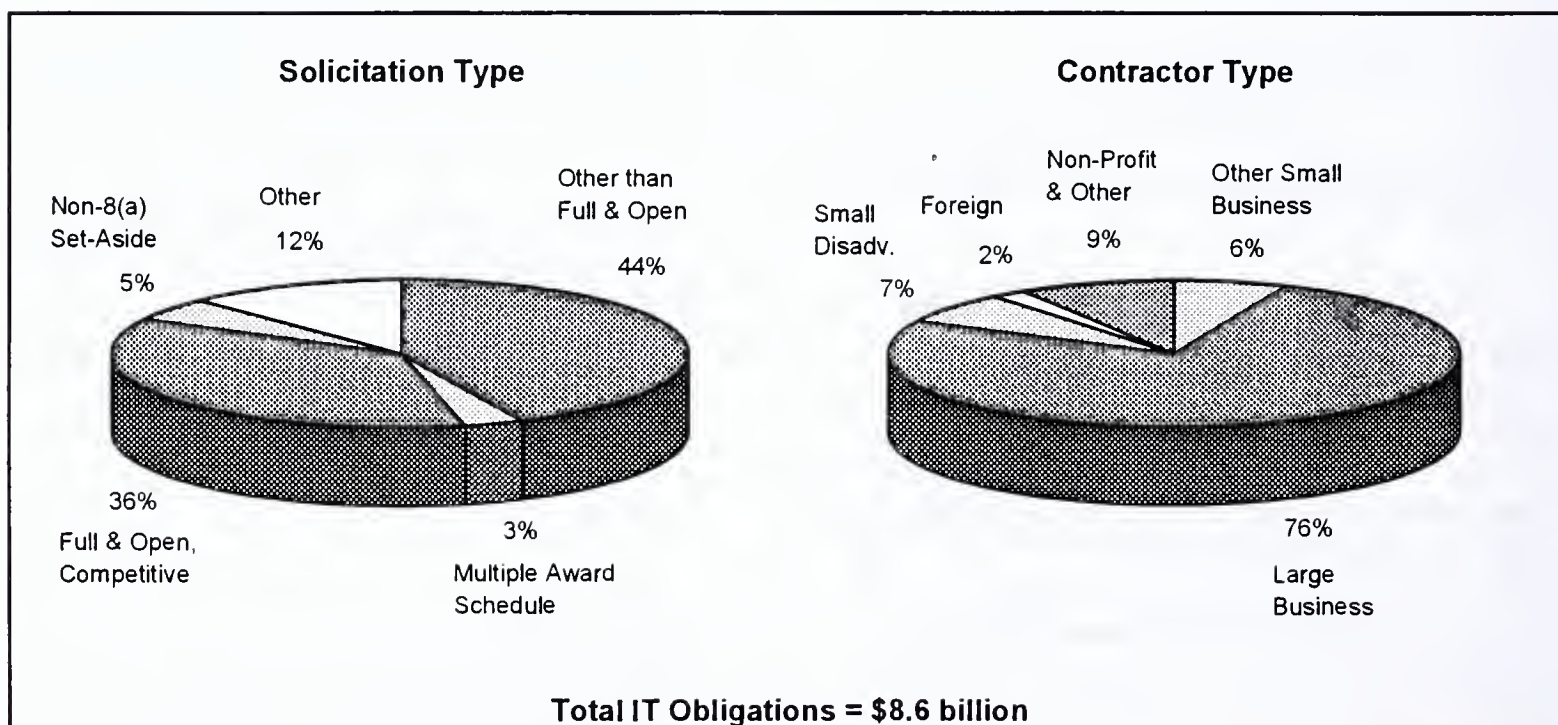
## Air Force Acquisition Profile

Exhibit 5 provides a graphical summary of the procurement vehicles used by the Department of the Air Force to acquire its IT products and services, as well as the type of contractor providing them. These figures reflect shares of the total information technology contract dollars obligated by the agency in fiscal year 1995.

Other than full and open competition encompasses various solicitation vehicles, including 8(a) set-asides, limited competition, as well as negotiated and alternate source purchases. In addition to non-profit organizations, domestic contractors performing work outside the continental U.S. fall within the "non-profit and other" category of contractor type.

Exhibit 5

### Acquisition Profile for the Department of the Air Force FY 1995



Source: FPDC and INPUT

## Top Contractors and Obligations by State

A list of the top IT contractors with the Department of the Air Force is provided in Exhibit 6. Exhibit 7 lists the top 20 states of performance for the agency's IT obligations. Contract obligations are the government's intent to purchase, and while not necessarily spent, they do reflect actual spending trends. Contract actions performed in Washington, DC, Maryland and Virginia comprised 11% of the Air Force's total IT obligations in 1995. This data is based on fiscal year 1995 contract actions filed with the Federal Procurement Data Center (FPDC) at GSA.

Exhibit 6

### Top Contractors at the Air Force FY 1995

1. Lockheed Martin Corporation
2. Northrop Grumman Corporation
3. Boeing Company
4. Rockwell International
5. GTE Corporation
6. Loral Aerospace Corporation (currently Lockheed Martin Corporation)
7. Computer Sciences Corporation
8. IBM Corporation
9. TRW, Inc.
10. CAE-Link Corporation

Source: FPDC

Exhibit 7

### Top Department of the Air Force Obligations by State FY 1995

State	IT Obligations	State	IT Obligations
1. California	\$1,809,927	11. South Carolina	\$151,777
2. Florida	\$1,187,589	12. Georgia	\$149,007
3. Texas	\$659,641	13. Oklahoma	\$147,216
4. Virginia	\$505,880	14. Montana	\$131,184
5. Ohio	\$494,776	15. New Jersey	\$115,795
6. New York	\$480,645	16. New Hampshire	\$114,191
7. Massachusetts	\$418,133	17. North Carolina	\$112,050
8. Maryland	\$381,501	18. Illinois	\$89,852
9. Washington	\$329,575	19. Iowa	\$89,805
10. Colorado	\$272,571	20. Michigan	\$85,747

All figures in \$ Thousands

Source: FPDC and INPUT



## Major Contracts

At least 80 major IT contracts are currently active at the Department of the Air Force. Due to their volume, Exhibit 8 provides a brief overview of only those contracts with known values exceeding \$50 million. Currently, the agency has 27 major indefinite delivery/indefinite quantity

(IDIQ) contract vehicles in place, which have a potential combined life-time value of \$10.5 billion. INPUT speculates increased use of agency and interagency IDIQ contracts in response to the simplification of regulations governing the purchase of commercial items. This information is taken from INPUT's IMPACT database of active and awarded IT programs.

Exhibit 8

### Major Contracts at the Department of the Air Force

<u>Program</u>	<u>Type</u>	<u>Size</u>	<u>Description</u>
1. Independent Verification and Validation of Inertial Upper Stage Software (IUS IV&V)	Professional Services — Unk.	\$50M 17 yrs.	Lockheed Martin provides independent verification and validation (IV&V) of Boeing Defense and Space Group generated Inertial Upper Stage (IUS) flight software. Awarded in October 1985.
2. Strategic War Planning Systems Baseline (SWPS)	Hardware/Software — Firm Fixed Price	\$165M 10 yrs.	General Dynamics provides ADP equipment, software, facilities maintenance, systems engineering services and training in support of the Joint Strategic Target Planning Staff and the Strategic Air Command. Awarded in July 1989.
3. Air Force Equipment Management System (AFEMS)	Hardware/Software — Firm Fixed Price	\$70M 12 yrs.	Lockheed Martin provides computer hardware, software and integration services to combine ten dedicated data systems into a single equipment requirements tracking system. Awarded in January 1990.
4. Management Information Systems Technical Support (MISTS)	Professional Services — Delivery Order	\$180M 5 yrs.	Soon to be replaced by the follow-on MISTS II, CSC provides the Electronic Systems Center with a communications infrastructure and computer systems development, implementation and operations. Awarded in June 1991.
5. Joint Staff Automation for the Nineties (AFCAC 303)	Hardware/Software — IDIQ	\$92M 8 yrs.	GTE Corporation provides ADP equipment, software and technical support services for the Washington offices of the Joint Staff. Awarded in December 1991.
6. Test Range Support	Professional Services — Cost Plus Award Fee	\$575M 8 yrs.	CSC provides engineering services, technical support and program management for the Flight Test Range at Edwards AFB, California. The contract also calls for various systems and equipment support. Awarded in April 1992.
7. Systems Engineering Technical Assistance (SETA)	Professional Services — IDIQ	\$80M 5 yrs.	I-Net and Potomac System Engineering provide the Air Force with technical communications services and computer systems engineering on a worldwide basis. Awarded in July 1992.

## Major Contracts at the Department of the Air Force (cont.)

<u>Program</u>	<u>Type</u>	<u>Size</u>	<u>Description</u>
8. Defense Management Review Decision 924 (DMRD 924)	Hardware/ Software — IDIQ	\$362M 5 yrs.	BDM provides technical and management services, hardware, CPUs and peripherals to consolidate the Air Force Logistics Command's automated data processing systems, as directed by Defense Management Review Decision 924.  Awarded in February 1993.
9. Database Machines (AFCAC 305)	Hardware/ Software — IDIQ	\$328M 5 yrs.	AT&T, Wang and Technology Management Analysis provide relational database machines for the Army, Navy, Air Force, DISA, DLA and the IRS in a networked environment.  Awarded in June 1993.
10. Range Technical Services (RTS)	Professional Services — Cost Plus Award Fee	\$221M 6 yrs.	CSC and Raytheon are joint contractors for the operation, maintenance and management of the Air Force's Eastern Space & Missile Center and Test Range facilities.  Awarded in June 1993.
11. Specialized Cost Services (SCS)	Professional Services — IDIQ	\$69M 5 yrs.	Tecolote Research and Management Consulting Research provide cost studies and analyses on weapon system acquisition, life cycle management, operation and support and related matters.  Awarded in October 1993.
12. Information Systems Engineering Prototype Development II (ISEPD II)	Professional Services — IDIQ	\$140M 5 yrs.	Lockheed Martin, SAIC, Systems Research, Logtech and Ares provide the Materiel Command with technical services for systems development and integration, training, technical documentation, independent verification and validation and facilities management.  Awarded in March 1994.
13. Integrated Computer-Aided Software Engineering (I-CASE)	Hardware/ Software — IDIQ	\$671M 10 yrs.	Logicon develops and maintains an integrated set of portable, Ada-based software applications to support software production and maintenance throughout the DoD and other federal agencies.  Awarded in April 1994.
14. Hardware and Software Integration Support Services	Professional Services — Unk.	\$70M 3 yrs.	SAVI Technology provides hardware and software integration support and feasibility studies for DoD-wide automatic identification technology (AIT) efforts.  Awarded in April 1994.
15. National Test Facility Operation and Maintenance (NTF)	Professional Services — IDIQ	\$300M 7 yrs.	Lockheed Martin and TRW provide research and development support to the Ballistic Missile Defense Organization National Test Facility, covering design, development, analysis and engineering activities.  Awarded in October 1994.
16. Unified Local Area Network Architecture II (ULANA II)	Network Services — IDIQ	\$595M 4 yrs.	While still under protest by Unisys, EDS and TRW are to acquire, install, integrate, test and maintain the local area network architecture throughout the DoD and a number of civilian agencies.  Awarded in December 1994. Protested in December 1994.



## Major Contracts at the Department of the Air Force (cont.)

<u>Program</u>	<u>Type</u>	<u>Size</u>	<u>Description</u>
17. Space Systems Acquisition Support II (SSAS II)	Professional Services — Various	\$300M 5 yrs.	PRC, BD Systems and Anacomp provide technical support and management services for the Air Force Space & Missile Systems Center. Awarded in April and May 1995.
18. Cheyenne Mountain Complex Integrated System Support Contract (CMC-ISSC)	Professional Services — IDIQ	\$110M 5 yrs.	Lockheed Martin provides the Cheyenne Mountain Complex with on-site space and warning systems equipment maintenance, developmental engineering, technical documentation, COTS software and logistics support. Awarded in December 1995.
19. Supercomputer Maintenance Program (SMP)	Professional Services — Firm Fixed Price	\$59M 5 yrs.	Alpha Data Corporation provides the Air Force Development Test Center with on-site hardware and software maintenance of existing Cray computer equipment located at Eglin AFB. Awarded in December 1995.
20. Integration Command Control Communications Computers Intelligence (IC4I)	Professional Services — IDIQ	\$2.8B 8 yrs.	BTG, Cordant and SRA provide the Electronic Systems Center with delivery and support services for worldwide integrated intelligence systems and applications. Awarded in December 1995 and June 1996.
21. Air Force Workstations (AFWS)	Hardware/Software — IDIQ	\$956M 7 yrs.	Sun Microsystems and Hughes Data Systems provide the Air Force with high performance workstations, peripherals, maintenance and support services. Awarded in March 1996.
22. Desktop V (DT V)	Hardware/Software — IDIQ	\$2.0B 5 yrs.	Hughes Data Systems and Zenith Data Systems provide the Air Force with up to 360,000 microcomputers, applications software, user-installable components and support services to operate primarily in a networked environment. Awarded in May 1996.
23. Technical and Engineering Acquisition Support (TEAS III)	Professional Services — Unk.	\$107M 5 yrs.	Sverdrup Technology provides the Aeronautical Systems Center at Eglin AFB with support services in a variety of engineering, technical and acquisition management disciplines. Awarded in June 1996.
24. Software Engineering Support	Professional Services — Cost Plus Award Fee	\$98M 5 yrs.	Tybrin Corporation provides the 96th Communications Group in the Air Force Development Test Center (AFDTC) with software engineering services. Awarded in June 1996.
25. Integrated Maintenance Data System (IMDS)	Professional Services — Cost Plus Award Fee	\$72M 6 yrs.	Andersen Consulting provides the Air Force with an integrated maintenance system that will incorporate existing DoD systems to enhance interoperability, such as JCALS, MMSS and RRP. Awarded in July 1996.
26. Global Combat Support System/Base Level System Modernization II (GCSS-AF/BLSM II)	Hardware/Software — IDIQ	\$900M 5 yrs.	Lockheed Martin performs integration, systems engineering and software development services in an agency-wide effort to modernize standard Air Force information systems. Awarded in August 1996.



## Major Contracts at the Department of the Air Force (cont.)

<u>Program</u>	<u>Type</u>	<u>Size</u>	<u>Description</u>
27. Western Range Operation/Maintenance Technical and Support Services (ROMSSC)	Professional Services — Cost Plus Award Fee	\$165M 5 yrs.	IIT Research Institute provides the 30th Space Wing at Vandenberg AFB with technical and support services to maintain and upgrade existing Western Range instrumentation.  Awarded in August 1996.
28. Visual Upgrade Effort (VUE)	Hardware/ Software — Unk.	\$70M 5 yrs.	Evans & Sutherland provides image generators, database generation systems, spares and training support in an effort to upgrade 25 flight simulator visual systems for the Air Mobility Command.  Awarded in August 1996.
29. Uninterruptible Power Systems (UPS)	Hardware/ Software — IDIQ	\$625M 5 yrs.	While currently under protest by Liebert, Exide is to provide up to 600 uninterruptible power systems (UPS) and related equipment throughout the DoD and civilian agencies.  Awarded in September 1996. Protested in September 1996.
30. Theater Deployable Communications - Integrated Communications Access Package (TDC - ICAP)	Hardware/ Software — IDIQ	\$264M 7 yrs.	Motorola provides commercial off-the-shelf (COTS) switching, multiplexing and transmission equipment to upgrade communications systems used by Air Force wings, operation centers, combat communications units and special operations squadrons.  Awarded in October 1996.

Source: INPUT

## Issues at the Air Force

1. After a series of protests and other hurdles, Air Force buyers are at last able to purchase PCs, notebooks, servers, applications software and other user-installable components from the \$1 billion Desktop V (DT V) contracts held by Hughes Data Systems and Zenith Data Systems. Originally scheduled for award in February 1996, DT V faced three separate protests from Compuline International, Sysorex and GTSI — halting the award until May 3 and the ability to order until June 17. In September, the contract to Zenith was again suspended resulting from a failure to deliver products within the specified 10-day limit.

Now, with both IDIQ contracts open to Air Force and civilian agency buyers, at least 20,000 microcomputers, 3,500 notebooks and 365 servers have already been purchased. DT V promises to deliver up to 360,000 PCs over the full five-year life of the program,

compared to the 1.2 million collectively purchased since 1986 from Desktop I through IV. An award for the 8(a) portion of DT V is slated for December 16, 1996.

2. The Air Force recently awarded its portion of the DoD-wide Global Combat Support System (GCSS-AF) initiative to Lockheed Martin, a program formerly known as Base Level System Modernization II (BLSM II). The \$900 million IDIQ effort promises to replace the Air Force's 35 remaining "stovepiped" base-level information systems that support multiple wing functional activities. Under GCSS-AF, Lockheed Martin will be the first contractor to use DoD's Common Operating Environment (COE) specifications, which offer a Defense-wide set of common UNIX software requirements. Lockheed is also tasked with integrating the Army's information systems under the Sustaining Base Information Services (SBIS) contract.

3. On April 30, 1996, the Pentagon unveiled yet another proposal to streamline its activities. Being targeted by this latest round of proposed cuts are DoD's laboratories and test and evaluation (T&E) centers nationwide, with 20% of all current operations slated for potential closure. The plan, dubbed Vision 21, is mandated under Section 277 of the National Defense Authorization Act for Fiscal Year 1996.

While not as highly targeted as Army and Navy installations, the Air Force faces potential closure or consolidation of 19 laboratories and 11 T&E centers by the year 2005. Some of the more significant Air Force installations up for consideration under Vision 21 include:

- 3 Armstrong Labs
- 3 Wright Labs
- 3 Phillips Labs
- 2 Rome Labs
- 2 Aeronautical Systems Centers
- The Hanscom Electronic Systems Center

4. The Air Force's Integrated Computer-Aided Software Engineering (I-CASE) contract with Logicon has all but been abandoned as was expected at this time last year. The \$671 million, 10-year contract was awarded in April of 1994 as an ambitious Defense-wide solution to long-standing problems with software development delays and cost overruns. However, I-CASE's mandatory software development standards were rejected in December 1995 after being found, ironically, too costly and inefficient. Only two options remained: abandon the contract or convert it to an IDIQ program, giving DoD software developers the option of buying Logicon's Ada-based software applications.

Since the latter option was chosen, I-CASE has seen much activity. The contract has become the vehicle of choice for purchasing commercial component licenses for DoD's Common Operating Environment. DISA, for example, purchased 180,000 licenses for Netscape's Navigator 2.0 Web browser and has abandoned its basic ordering agreements in favor of I-CASE. The contract has also evolved to include hardware components, such as Sun workstations and peripherals. For more product information, the I-CASE catalogue is available at "<http://bbs.icase.af.mil/>".

5. Uninterruptible power supplies (UPS) have been a central component of the Air Force's information technology procurement activity — or rather inactivity. Two major acquisitions for the products have been underway for months and even years, but remain unawarded. The \$625 million Uninterruptible Power Supply program calls for worldwide delivery of up to 600 units and will be open to Defense and civilian agency buyers. The program was initially awarded in June 1995 to incumbent Exide Electronics Group, but was protested on two separate occasions by Liebert on the grounds of unreasonable Air Force sales projections and overall unfairness. Currently, GAO is still in the process of reviewing the case.

The second, and seemingly very similar, program is the Air Force's \$60 million Static Uninterruptible Power Supply (SUPS) program. SUPS will acquire maintenance, spares and ancillary equipment for installed UPS worldwide. First announced in December of 1995, the program's statement of work (SOW) has undergone a series of overhauls and is currently still in technical evaluation. The RFP is now anticipated in mid-December 1996.



## On-Line Information Resources

The Department of the Air Force maintains a World Wide Web home page accessible at "http://www.af.mil". Primarily a public relations site, information is available on Air Force publications, press releases and links to Air Force commands and field operating agencies. Business opportunities are primarily posted on individual Air Force command and operating agency home pages.

Two centralized procurement sites are available, however. The Electronic Systems Center maintains the HERBB Web page for agency-wide IT contracting opportunities at "http://herbb.hanscom.af.mil". This site contains extensive information on current RFPs, source selections in progress and CBD announcements. The Air Force recently announced a second agency-wide business opportunity site located at "http://www.safaq.hq.af.mil/contracting/biz\_opty.html". In addition to procurement points of contact and reference documents, this site offers links to the five commands that currently host "business opportunity" sites and others that plan to do so.

The Air Force also offers a number of electronic bulletin board systems (BBS) for contracting opportunities, although most information contained therein can be found on the World Wide Web. Below are the primary bulletin boards currently available:

- Aeronautical Systems Center (PIXS)  
(513) 476-7217
- Air Force Development & Test Center  
Computer Bulletin Board  
(904) 882-3669
- Air Force Flight Test Center  
(805) 277-4519

- Air Force Small Business Bulletin Board (AFSB3)  
(800) 638-9636
- Air Force Space Command  
(800) 752-6481
- Electronic Systems Center (HERBB)  
(617) 377-1487
- Hill's Electronic Solicitation Service (HESS)  
(801) 775-3035
- Space Missile Center  
(310) 363-1004/6612/6613
- Standard Systems Center  
(334) 416-5651

## Major Points of Contact

### Secretary of the Air Force

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### Chief of Staff of the Air Force

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### Commander, Air Force Communications Agency

Patrick M. Ryan  
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This Agency Profile is issued as part of INPUT's Federal IT Market Analysis Program. If you have questions or comments on this profile, please call your local INPUT organization or Marco de Vries at INPUT, 1921 Gallows Road, Suite 250, Vienna, VA 22182-3900. Tel. (703) 847-6870.



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# Agency Profile

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## Department of Health and Human Services

### Purpose

The Department of Health and Human Services (HHS) is the primary federal agency responsible for the health, welfare and income security of the American public. To this end, the Department carries out programs and advises on policy for medical and social science research, the prevention of disease, food and drug safety, financial assistance, child support and health, the eradication of child abuse and care for the elderly.

### Organization

The Department of Health and Human Services was created as the Department of Health, Education and Welfare on April 11, 1953 (5 U.S.C. app.) and was redesignated on May 4, 1980 by the Department of Education Organization Act (20 U.S.C. 3508).

The Department is headed by the Secretary, appointed by the President with the advice and consent of the Senate, who is aided by the Deputy Secretary, Chief of Staff, General Counsel and the Inspector General. Additional assistance and consultation are provided by seven Assistant Secretaries, five Administrators and the several Directors and Commissioners, who are collectively responsible for the agency's 12 operating divisions and various staff offices.

The functions of the Department of Health and Human Services are carried out at its Washington, DC headquarters, 10 regional headquarters and numerous field offices. Each region is headed by a Regional Director who has oversight of the activities within the respective district and reports directly to the Secretary of Health and Human Services. HHS regional headquarter locations are presented in Exhibit 1.

Exhibit 1

### HHS Regional Offices

Region I	Boston, Massachusetts
Region II	New York, New York
Region III	Philadelphia, Pennsylvania
Region IV	Atlanta, Georgia
Region V	Chicago, Illinois
Region VI	Dallas, Texas
Region VII	Kansas City, Missouri
Region VIII	Denver, Colorado
Region IX	San Francisco, California
Region X	Seattle, Washington

Source: U.S. Government Manual

HHS is currently headed by Secretary Donna Shalala and employs approximately 59,500 people nationwide, a level not significantly changed from approximately 60,400 people at this time last year. Slightly more than 46% of the agency's employees are located in the Washington, DC area.

The organizational structure of the Department of Health and Human Services is presented in Exhibit 2.

Exhibit 2

## Health and Human Services Organization

Secretary

Deputy Secretary

- Assistant Secretary for Legislation
- Assistant Secretary for Planning and Evaluation
- Assistant Secretary for Public Affairs
- Assistant Secretary for Administration on Aging
- Assistant Secretary for Administration for Children and Families
- Assistant Secretary for Management and Budget
- Assistant Secretary for Health
- Chief of Staff
- Disease Prevention and Health Promotion
- International and Refugee Health
- Intergovernmental Affairs and Regional Directors
- Consumer Affairs
- Population Affairs
- Civil Rights
- Inspector General
- Surgeon General
- General Counsel

### Operating Divisions:

- National Institutes of Health
- Food and Drug Administration
- Health Care Financing Administration
- Centers for Disease Control and Prevention
- Indian Health Services
- Health Resources and Services Administration
- Agency for Health Care Policy and Research
- Agency for Toxic Substances and Disease Registry
- Substance Abuse and Mental Services Administration
- Administration on Aging
- Administration for Children and Families
- Program Support Center

Source: Carroll Publishing 1996

## Program Activities

Below are the primary operating divisions within the Department of Health and Human Services and a brief description of their responsibilities. Due to their volume, centers and administrations within each operating division are listed without description.

### a. Public Health and Science

The Office of Public Health and Science serves as the focal point for research and program coordination across the Department in public health and science. The Office has oversight of all broad public health assessments designed to anticipate future health issues and problems, and it devises and implements interventions and evaluations to maintain or improve the overall health of the nation. Through the Surgeon General, the Office also provides direction and policy oversight for the operating divisions within the Public Health Service. Its activities are primarily conducted through the following offices:

- Office of Women's Health
- Office of Minority Health
- Office of Emergency Preparedness
- Office of Population Affairs
- Office of International and Refugee Health
- Office of Disease Prevention and Health Promotion
- President's Council on Physical Fitness and Sports
- Office of Research Integrity
- Office of HIV/AIDS
- Office of the Surgeon General

### b. Administration on Aging

The Administration is the principal agency designated to carry out the provisions of the Older Americans Act of 1965, as amended (42 U.S.C. 3001 et seq.). As the lead agency within HHS on all issues concerning aging, it advises the Secretary and other federal agencies on the needs of older people, develops



policies and programs to promote their welfare and administers grants and training courses to foster elderly community programs on the state and local level.

*c. Administration for Children and Families*

The Administration for Children and Families (ACF) provides executive direction and advises the Secretary of Health and Human Services on programs related to the welfare and health of America's youth and specified disabled groups. It also administers grants and works with other federal and local government agencies to educate the public on such matters. Major components of ACF include:

- Administration on Children, Youth and Families (ACYF)
- Administration on Developmental Disabilities (ADD)
- Administration for Native Americans (ANA)
- Child Support Enforcement (CSE)
- Community Services
- Refugee Resettlement
- Office of Family Assistance
- Office of Regional Operations and State Systems

*d. Agency for Health Care Policy and Research*

The Agency (AHCPR) is the federal government's focal point for health services research and is the only federal agency charged with producing and disseminating scientific and policy-relevant information about the quality, medical effectiveness and cost of health care. AHCPR supports and conducts research to understand the design and performance of the health care delivery system with the goals of reducing health care costs, developing clinical practice guidelines and expanding the scientific evidence for cost-effective clinical practices.

*e. Agency for Toxic Substances and Disease Registry*

The primary function of the Agency (ATSDR) is to prevent exposure and adverse human health effects associated with exposure to hazardous substances from waste sites and other sources of pollution present in the environment. To accomplish this, ATSDR works in cooperation with states and other federal and local agencies to evaluate information on the release of hazardous substances into the environment, to understand the relation between exposure to such substances and adverse health effects, to maintain registries of persons exposed for long-term studies and to consult and train the population on dealing with such exposure.

*f. Centers for Disease Control and Prevention*

The Center (CDC) is the federal agency charged with protecting the public health of the nation by providing leadership and direction in the prevention and control of diseases and other preventable conditions, as well as responding to public health emergencies. The Center also directs and enforces foreign quarantine regulations and provides consultation to other nations on the control and prevention of disease. CDC is composed of 11 major operating components:

- Epidemiology Program Office
- International Health Program Office
- National Immunization Program Office
- Public Health Practice Program Office
- National Center for Prevention Services
- National Center for Environmental Health
- National Center for Injury Prevention and Control
- National Institute for Occupational Safety and Health
- National Center for Chronic Disease Prevention and Health Promotion
- National Center for Infectious Diseases
- National Center for Health Statistics

*g. Food and Drug Administration*

## Food and Drug Administration (FDA)

activities are directed toward protecting the health of the nation against impure and unsafe foods, drugs and cosmetics and other potential hazards. To this end, the FDA administers food and drug regulations and ensures national compliance with them through its regional Food and Drug Directors and the operation of numerous field offices. Major program activities include food and drug product labeling and safety inspection, controlling unnecessary exposure to radiation-emitting electronic products and ensuring the effectiveness of animal drugs, feeds and medical devices. Major FDA offices include:

- Office of Regulatory Affairs
- Center for Drug Evaluation and Research
- Center for Biologics Evaluation and Research
- Center for Food Safety and Applied Nutrition
- Center for Veterinary Medicine
- Center for Devices and Radiological Health
- National Center for Toxicological Research
- Office of Orphan Products Development

*h. Health Care Financing Administration*

The Health Care Financing Administration (HCFA) was created as a principal operating component of HHS by the Secretary on March 8, 1977 to combine under one administration the oversight of the Medicare program, the federal portion of the Medicaid program and related quality assurance activities. Medicare provides health insurance coverage for people age 65 and over, as well as younger people who are receiving social security disability benefits. Medicaid is a medical assistance program jointly financed by state and federal governments for eligible low-income individuals.

*i. Health Resources and Services Administration*

Established within HHS on October 31, 1995, the Administration (HRSA) is the principal health care service agency of the federal government. Its purpose is to make essential primary care services accessible to the poor, uninsured and geographically isolated. HRSA works integrally with state and local governments to improve and expand primary health care services through a broad array of categorical and block grants. Its activities are carried out through five bureaus:

- Bureau of Primary Health Care
- Division of Immigration Health Services
- Bureau of Health Professions
- Bureau of Health Resources Development
- Maternal and Child Health Bureau (MCH)

*j. Indian Health Service*

With tribal involvement, the Indian Health Service provides a comprehensive health services delivery system for American Indians and Alaska natives. Program activities include health management training and coordination, human resource development, hospital and ambulatory medical care and sanitation facilities development.

*k. National Institutes of Health*

The National Institutes of Health (NIH) is the principal biomedical research agency of the federal government. NIH seeks to expand fundamental knowledge about the nature and behavior of living systems, to apply that knowledge for extending human health and to reduce the burdens resulting from disease and disability. It supports biomedical and behavioral research domestically and abroad, conducts research in its own laboratories and clinics, trains researchers and promotes the acquisition and dissemination of medical knowledge. Key institutes include:



- National Cancer Institute
- National Heart, Lung and Blood Institute
- National Library of Medicine
- National Institute of Diabetes and Digestive and Kidney Diseases
- National Institute of Allergy and Infectious Diseases
- National Institute of Child Health and Human Development
- National Institute on Deafness and Other Communication Disorders
- National Institute of Dental Research
- National Institute of Environmental Health Sciences
- National Institute of General Medical Sciences
- National Institute of Neurological Disorders and Stroke
- National Eye Institute
- National Institute on Aging
- National Institute of Alcohol Abuse and Alcoholism
- National Institute of Arthritis and Musculoskeletal and Skin Diseases
- National Institute on Drug Abuse
- National Institute of Mental Health
- National Institute of Nursing Research
- Clinical Center
- Fogarty International Center
- National Center for Human Genome Research
- National Center for Research Resources
- Division of Research Grants
- Division of Computer Research and Technology

#### *l. Program Support Center*

The Program Support Center (PSC) is a self-supported operating division within the Department designed to provide administrative support services to HHS components and other federal agencies. The Center was created as a business enterprise to provide such services on a competitive fee-for-service basis. Services are provided in four broad areas, as reflected by its components:

- Human Resources Service
- Financial Management Service
- Administrative Operations Service
- Information Technology Service

#### *m. Substance Abuse and Mental Health Services Administration*

The Administration (SAMHSA) serves as the national focal point to ensure that knowledge and information are effectively used for the prevention and treatment of addictive and mental disorders. Through grants, research and educational programs, it attempts to improve access and reduce barriers to high-quality programs and services for individuals who suffer from or are at risk for these disorders, as well as for their families and communities. SAMHSA carries out its activities through three primary centers:

- Center for Substance Abuse Prevention
- Center for Substance Abuse Treatment
- Center for Mental Health Services



## Program Budget

Federal funding for the Department of Health and Human Services is expected to show continued growth over the next several years, having experienced a 27% growth rate from fiscal year 1995 to fiscal year 1997. Much of the overall funding increase is attributable to the separation of the Social Security Administration (SSA) from HHS by the Social Security Independence and Program Improvement Act of 1994 (42 U.S.C. 901), which took effect on March 31, 1995. As the largest beneficiary of HHS funds, SSA fulfilled many department-wide functions which have since been assumed by current HHS operating divisions. The Health and Human Services reorganization order of October 31, 1995 also bolstered the Department's required federal funding.

The Health Care Financing Administration, currently the largest single beneficiary of HHS funds, is anticipated to receive 36% more federal funding in 1997 than it received in 1995 — growing from \$131 billion to over \$178 billion. The only significant budgetary decreases are expected within the Agency for Health Care Policy and Research, Departmental Management and the Office of the Inspector General accounts.

The program budget for the Department of Health and Human Services is presented in Exhibit 3. These figures represent total federal funds and do not account for allocated trust funds, which historically comprise approximately 45% of the Department's total funding.

Exhibit 3

### Program Budget of the Department of Health and Human Services

Operating Divisions	FY 1995 (actual)	FY 1996 (estimate)	FY 1997 (estimate)
Food and Drug Administration	\$882	\$878	\$878
Health Resources and Services Administration	3,174	3,203	3,248
Indian Health Services	1,964	2,004	2,178
Centers for Disease Control and Prevention	2,084	2,124	2,231
National Institutes of Health	11,248	11,947	12,414
Substance Abuse and Mental Health Services Administration	2,195	1,854	2,098
Agency for Health Care Policy and Research	135	77	84
Health Care Financing Administration	130,715	149,210	178,310
Administration for Children and Families	33,178	32,611	34,297
Administration on Aging	876	828	1,328
Program Support Center	159	167	176
Departmental Management	184	160	165
Office of the Inspector General	60	31	32

All figures in \$ Millions

Source: Budget of the United States Government FY1997, February 5, 1996

## Information Technology Budget

The information technology (IT) budget of the Department of Health and Human Services is expected to show moderate growth over the next five years, at a compound annual growth rate (CAGR) of 6%. This overall growth is largely driven by the Department's anticipated spending increase on support services, which comprised 46% of HHS' total IT budget in 1996 and is growing at a high CAGR of 9% over the period shown. Expenditures on personnel will likely decrease 5% annually from \$258 million in 1996 to \$202 million in 2001.

Also of note is the contracted out portion of the information technology budget, which currently comprises 70% of the

Department's total IT budget and is expected to account for 79% in 2001 — growing from \$851 million to \$1.3 billion, respectively.

The information technology budget of the Department of Health and Human Services is provided in Exhibit 4. Figures are rounded to the nearest million and may account for subtotal discrepancies. Exhibit 5 offers a graphical summary of the IT budget distribution among the Department's primary operating divisions in fiscal year 1995. Public Health Service funding is composed of the budgets for NIH, CDC, the FDA and related divisions.

Exhibit 4

### Information Technology Budget of the Department of Health and Human Services

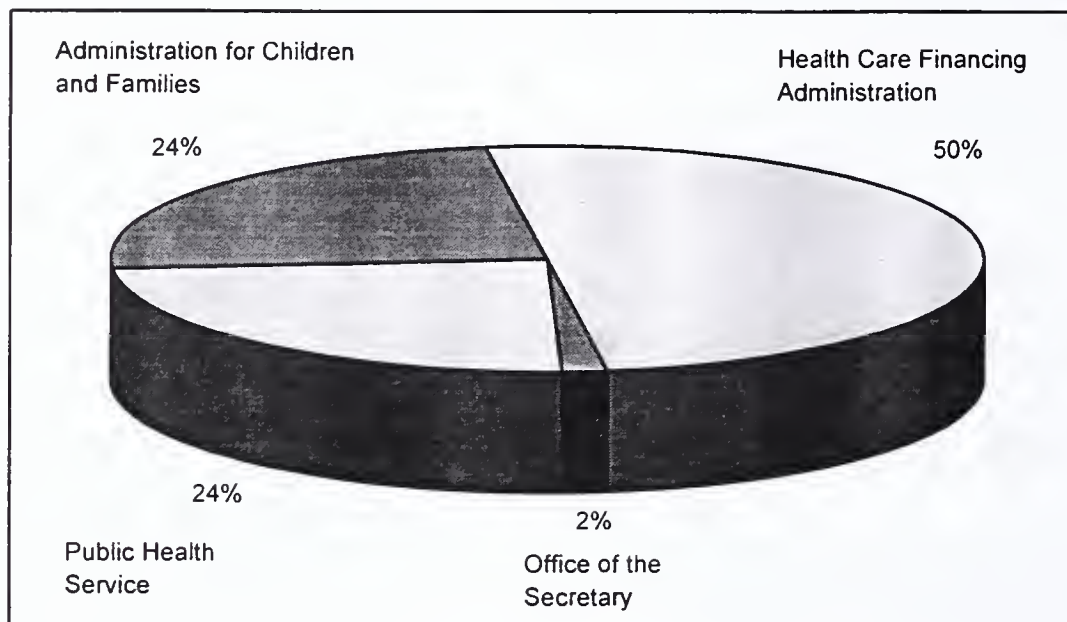
Category	1996	1997	1998	1999	2000	2001	CAGR 1996- 2001
<b>Equipment:</b>							
Capital Purchases	\$65	\$67	\$70	\$74	\$78	\$84	5%
Other Purchases and Leases	42	45	47	49	52	56	6%
<b>Total Equipment</b>	<b>107</b>	<b>113</b>	<b>117</b>	<b>123</b>	<b>131</b>	<b>140</b>	<b>6%</b>
<b>Software:</b>							
Capital Purchases	14	16	17	18	19	21	8%
Other Purchases and Leases	10	10	11	11	12	13	7%
<b>Total Software</b>	<b>24</b>	<b>26</b>	<b>28</b>	<b>29</b>	<b>32</b>	<b>35</b>	<b>8%</b>
<b>Services (Processing and Telecom.)</b>	<b>159</b>	<b>165</b>	<b>171</b>	<b>180</b>	<b>191</b>	<b>204</b>	<b>5%</b>
<b>Support Services</b>	<b>561</b>	<b>609</b>	<b>658</b>	<b>717</b>	<b>789</b>	<b>875</b>	<b>9%</b>
<b>Supplies</b>	<b>102</b>	<b>105</b>	<b>109</b>	<b>115</b>	<b>121</b>	<b>130</b>	<b>5%</b>
<b>Personnel</b>	<b>258</b>	<b>270</b>	<b>259</b>	<b>244</b>	<b>224</b>	<b>202</b>	<b>-5%</b>
<b>Contracted Out Portion of IT Budget</b>	<b>851</b>	<b>913</b>	<b>974</b>	<b>1,050</b>	<b>1,142</b>	<b>1,254</b>	<b>8%</b>
<b>Total IT Budget</b>	<b>1,211</b>	<b>1,288</b>	<b>1,343</b>	<b>1,408</b>	<b>1,488</b>	<b>1,586</b>	<b>6%</b>

All figures in \$ Millions

Source: HHS and INPUT

Exhibit 5

### Distribution of Information Technology Budget at HHS FY 1995



Source: HHS and INPUT

## IT Contract Opportunities

The Department of Health and Human Services is currently pursuing at least 26 major IT acquisitions. Due to their volume, only those procurements in the presolicitation phase are summarized below:

### a. *Computer Equipment, Resources and Technology Acquisition for NIH (CERTAN)*

Type: Umbrella

The National Institutes of Health, Division of Computer Research and Technology (DCRT) requires replacement of its biomedical, statistical and administrative computer systems. This umbrella program consists of five individual opportunities — one awarded, two in source selection and two pre-RFP:

- *CERTAN Distributed Resources (FEDCAC 109)* — DCRT requires distributed systems, applications software and technical support services to upgrade the speed and capacity of NIHnet, the campuswide local area network within NIH.

- *CERTAN Scientific Systems (FEDCAC 110)* — The National Institutes of Health intends to acquire scientific systems in support of the CERTAN project.

### b. *Registry Software Systems*

Type: TBD

CDC and ATSDR intend to acquire immunization registry software systems capable of working across various computer configurations and platforms to be used by HHS health officials nationwide.

### c. *ADP Support Services*

Type: IDIQ

CDC's National Institute for Occupational Safety and Health (NIOSH) will likely recompile its requirement for automatic data processing (ADP) support services in Morgantown, West Virginia.

### d. *Comprehensive Data Management and Support Services*

Type: TBD

The Agency for Toxic Substances and Disease Registry intends to recompile its existing contract for data management, data analysis activities and support services.



*e. Operation and Management of the Center for Drug Evaluation and Research Document Control Room*

Type: TBD

The Center for Drug Evaluation and Research requires operation and management of its document control rooms. The contractor must also abstract, code and enter submission data and documents.

*f. Data Transformation Software*

Type: TBD

HCFA has a need for specialized software products to support its data warehousing initiative, designed to transform financial data from existing operational sources into relational databases.

*g. HCFA Data Center Facility Management Services Recompete (FMC)*

Type: Cost Plus Award Fee

HCFA has an ongoing requirement for data center support services, including facility management and operation, system programming, hardware maintenance, data communications and acquisition support.

*h. End User Computing III (EUC III)*

Type: TBD

HCFA intends to acquire microcomputer workstations, peripherals, software, maintenance and support services for its headquarters and regional offices.

*i. Telecommunication Services in Support of the National Practitioner Data Bank*

Type: TBD

HRSA has a requirement for telecommunication services in support of the National Practitioner Data Bank (NPDB), a repository of malpractice data.

*j. ADP Support for Cancer Information Dissemination*

Type: Level of Effort

The National Cancer Institute's International Cancer Information Center

(ICIC) has a continuing need for automated data processing support for cancer information dissemination.

*k. Applications Development Program Recompete (ADP)*

Type: Level of Effort

The National Heart, Lung and Blood Institute (NHLBI) intends to procure professional services to upgrade its mainframe and microcomputer systems and applications.

*l. NIH Electronic Computer Store*

Type: IDIQ

NIH has a continuing need for commercial off-the-shelf (COTS) general purpose computer equipment, including laptops, software, peripherals and operating systems.

*m. National Library of Medicine Modernization*

Type: TBD

HHS' National Library of Medicine (NLM) intends to modernize and replace its current technical infrastructure in four major areas: access, retrieval, file generation and maintenance and system interoperability.

*n. Network Personal Computer Support Services Recompete (NPCS)*

Type: TBD

HHS' Office of the Secretary (OS) intends to acquire a wide range of LAN/WAN and personal computer support services, including technical services for 10 OS staff divisions and the Administration on Aging.

*o. ADP Support Services for the Center of Intramural Research*

Type: TBD

HHS requires database management, computer programming, computer-related consulting, technical assistance and editorial and graphics services in support of the multiple Public Health Service divisions.

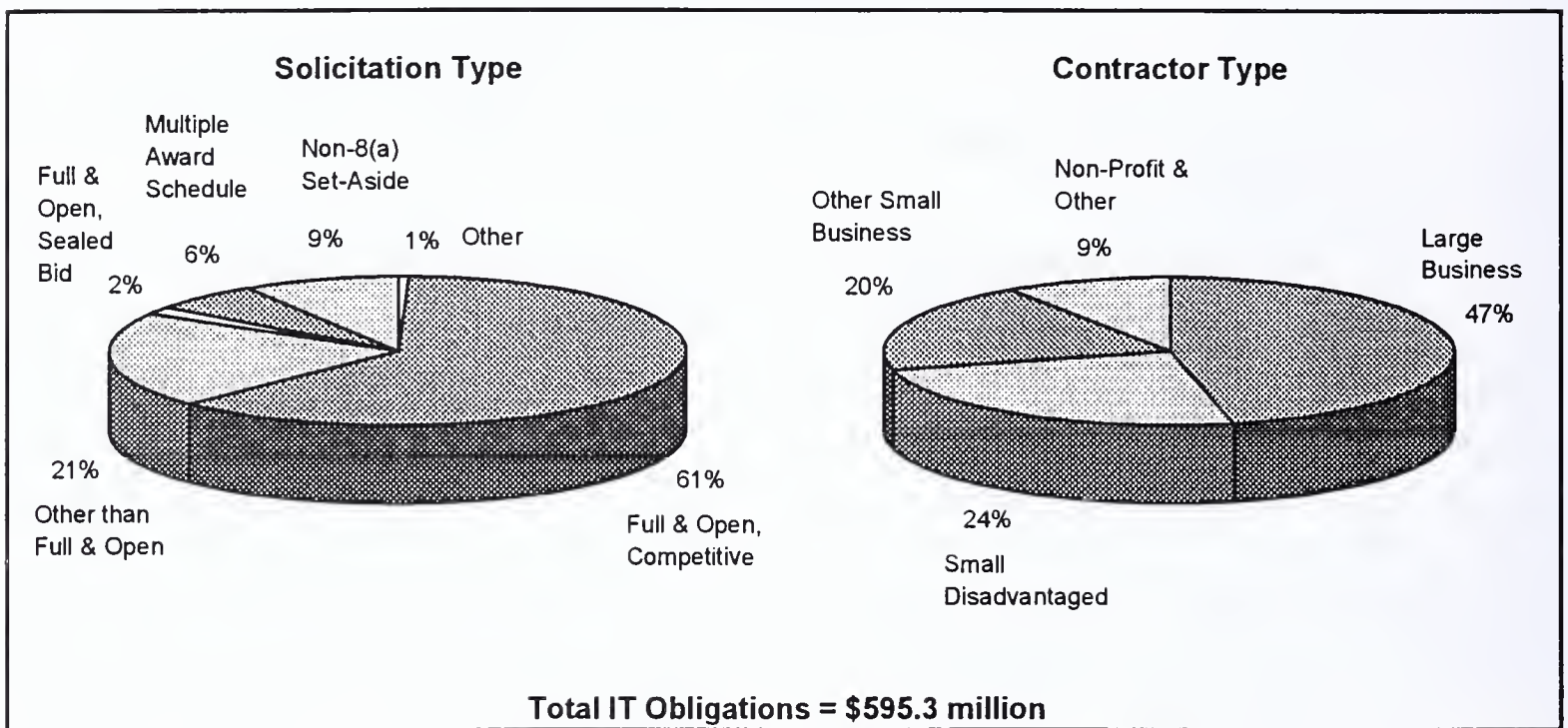
## HHS Acquisition Profile

Exhibit 6 provides a graphical summary of the procurement vehicles used by the Department of Health and Human Services to acquire its IT products and services, as well as the type of contractor providing them. These figures reflect shares of the total information technology contract dollars obligated by the agency in fiscal year 1995.

Other than full and open competition encompasses various solicitation vehicles, including 8(a) set-asides, limited competition, as well as negotiated and alternate source purchases. Non-profit organizations, foreign companies, state and local governments and hospitals comprise the "non-profit and other" contractor component.

Exhibit 6

### Acquisition Profile for the Department of Health and Human Services FY 1995



Source: FPDC and INPUT

## Top Contractors and Obligations by State

A list of the top IT contractors with the Department of Health and Human Services is provided in Exhibit 7. Exhibit 8 lists the top 20 states of performance for the agency's IT obligations. Contract obligations are the government's intent to purchase, and while not necessarily spent, they do reflect actual

spending trends. Contract actions performed in Washington, DC, Maryland and Virginia comprised 77% of HHS' total IT obligations in 1995. This data is based on fiscal year 1995 contract actions filed with the Federal Procurement Data Center (FPDC) at GSA.



Exhibit 7

### Top Contractors at HHS FY 1995

1. Bell Atlantic
2. IBM Corporation
3. Bendix Field Engineering Corporation
4. Caliber Associates
5. Booz-Allen & Hamilton, Inc.
6. Fortran Corporation
7. Orkand Corporation
8. R.O.W. Sciences, Inc.
9. Management System Application
10. Data Computer Corporation of America

Source: FPDC

### Major Contracts

At least 44 major IT contracts are currently active at the Department of Health and Human Services. Due to their volume, Exhibit 9 provides a brief overview of only those contracts with known values exceeding \$10 million. Currently, the agency has 20 major indefinite delivery/indefinite quantity (IDIQ) contract vehicles in place, which have a potential combined life-time value of \$461 million. INPUT speculates increased use of agency and interagency IDIQ contracts in response to the simplification of regulations governing the purchase of commercial items. This information is taken from INPUT's IMPACT database of active and awarded IT programs.

Exhibit 8

### Top Department of Health and Human Services Obligations by State FY 1995

State	IT Obligations	State	IT Obligations
1. Maryland	\$341,510	11. California	\$5,229
2. Virginia	\$77,199	12. Pennsylvania	\$4,977
3. Washington, DC	\$40,841	13. Massachusetts	\$4,481
4. Georgia	\$34,623	14. West Virginia	\$3,872
5. Illinois	\$11,457	15. Ohio	\$3,415
6. Alabama	\$11,363	16. Iowa	\$3,192
7. New York	\$10,654	17. Florida	\$2,918
8. Arkansas	\$8,100	18. New Jersey	\$2,644
9. North Carolina	\$8,019	19. Indiana	\$2,335
10. Texas	\$6,808	20. Connecticut	\$2,154

All figures in \$ Thousands

Source: FPDC and INPUT



## Exhibit 9

## Major Contracts at the Department of Health and Human Services

<u>Program</u>	<u>Type</u>	<u>Size</u>	<u>Description</u>
1. Telecommunications Improvement Project	Network Services — IDIQ	\$100M 10 yrs.	Bell Atlantic provides an HHS managed and controlled digital switch capable of voice and simultaneous voice/data service to six Public Health Service agencies in Bethesda and Rockville, Maryland. Awarded in December 1991.
2. Child Support Enforcement National Communications Network (CSENET)	Network Services — IDIQ	\$16M 10 yrs.	IBM provides a voice and data network to connect Administration for Children and Families offices in Washington, DC and across the nation. Hardware, software, systems integration and support services are also provided. Awarded in April 1992.
3. ADP Support Services for the Center of Intramural Research	Professional Services — Unk.	\$16M 5 yrs.	Social and Scientific Systems provides multiple Public Health divisions with database management, computer programming, consulting and technical assistance, as well as editorial and graphics services. Awarded in February 1993.
4. Medicare Transaction System (MTS)	Professional Services — Cost Plus Award Fee	\$19M 6 yrs.	GTE provides integration services to combine HCFA's 14 Medicare claims processing systems into a single system. The Medicare Transaction System is capable of handling one billion transactions per year. Awarded in January 1994.
5. NCTR ADP Support	Professional Services — Cost Plus Award Fee	\$23M 5 yrs.	R.O.W. Sciences provides automated data processing (ADP) support for toxicological experiment activities at the FDA's National Center for Toxicological Research (NCTR). Awarded in February 1994.
6. Submission Management and Review Tracking System (SMART)	Professional Services — IDIQ	\$17M 7 yrs.	SRA provides application software development and system analysis support for SMART, the FDA's management information system designed to facilitate the analysis and review of industry applications for product approval. Awarded in June 1994.
7. Telecommunications Services	Network Services — Firm Fixed Price	\$14M 10 yrs.	Fortran provides network services and a single-site voice and data communications switch to assist in the consolidation of HCFA's field offices nationwide. The consolidated site is in Baltimore, Maryland. Awarded in July 1994.
8. National Practitioner Data Bank (NPDB)	Professional Services — Cost Plus Fixed Fee	\$12M 6 yrs.	SRA provides the Health Resources and Services Administration (HRSA) with continued development and operation of the National Practitioner Data Bank, a nationwide repository of malpractice data. Awarded in July 1994.

## Major Contracts at the Department of Health and Human Services (cont.)

<u>Program</u>	<u>Type</u>	<u>Size</u>	<u>Description</u>
9. Clinical Data Abstraction Centers (CDAC)	Professional Services — Cost Plus Award Fee	\$102M 5 yrs.	DynCorp and Forensic Science Associates establish and maintain an operational network of five HCFA data abstraction centers, replicating the analysis process currently performed by Peer Review Organizations. Awarded in August 1994.
10. FDA Strategic Information System Support (SISS)	Professional Services — IDIQ	\$27M 7 yrs.	Booz-Allen & Hamilton provides the Food and Drug Administration (FDA) with strategic information systems to enhance the agency's ability to protect the public health through product regulation tracking. Awarded in September 1994.
11. Microprocessor Support Services	Professional Services — Cost Plus Reimbursement	\$36M 5 yrs.	NRC Technical Services provides CDC and the Agency for Toxic Substances and Disease Registry with hardware maintenance, software support, local and wide area network administration, as well as video and teleconferencing support. Awarded in November 1994.
12. Management and Operation of the NCI Frederick Cancer R&D Center	Professional Services — Cost Plus Award Fee	\$400M 7 yrs.	SAIC provides operations, acquisition and technical support, as well as computer and scientific library services for the National Cancer Institute's (NCI) Frederick Cancer Research and Development Center. Awarded in February 1995.
13. General Software Support	Hardware/Software — Level of Effort	\$12M 4 yrs.	Century Computing and Management Systems Designers provide user interface, database and other software products and support for the National Library of Medicine's (NLM) Lister Hill National Center for Biomedical Communications. Awarded in July 1995.
14. HCFA Data Center Facility Management Services	Professional Services — Cost Plus Award Fee	\$58M 5 yrs.	CSC provides complete operation and management of the HCFA Data Center, including hardware and software maintenance, user service and system programming operations and data communications. Awarded in August 1995.
15. Network Personal Computer Support Services (NPCS)	Professional Services — Unk.	\$13M 3 yrs.	Advanced Management provides the HHS Office of the Secretary with automated data processing, personal computer and local and wide area network support services. Awarded in September 1995.
16. Cancer Therapy Evaluation Program Information Management and Computer Support	Professional Services — Unk.	\$12M 7 yrs.	CTIS provides the NCI with hardware and software maintenance, information management problem resolution, programming and data management support for its Cancer Therapy Evaluation Program. Awarded in March 1996.
17. Chief Information Officer Solutions and Partners (CIOSP)	Professional Services — IDIQ	\$100M 5 yrs.	20 primes provide the NIH National Information Technology Acquisition and Assessment Center (NITAAC) with integration and outsourcing support services. Awarded in August 1996.



## Major Contracts at the Department of Health and Human Services (cont.)

<u>Program</u>	<u>Type</u>	<u>Size</u>	<u>Description</u>
18. ImageWorld Contract	Hardware/ Software — IDIQ	\$100M 5 yrs.	20 primes provide NIH's NITAAC with an electronic imaging system to convert paper documents and microform images for electronic storage and document management purposes.  Awarded in August 1996.
19. Training Resources, User Services and Technology Support (TRUST)	Professional Services — IDIQ	\$65M 7 yrs.	Booz-Allen & Hamilton provides the Food and Drug Administration with training resources, user services and technology support for its multiple field office information systems nationwide.  Awarded in August 1996.
20. CDC Information Systems Support Services (CISSS)	Professional Services — Cost Plus Fixed Fee	\$243M 5 yrs.	TRW provides the Centers for Disease Control and Prevention (CDC) with computer systems analysis and a variety of programming services at five locations nationwide, primarily in Atlanta, Georgia.  Awarded in September 1996.
21. Health Applications for the National Information Infrastructure	Network Services — Cost Plus Reimbursement	\$42M Unk.	19 primes support the National Library of Medicine's initiative to create an interconnected network of health care, clinical research and public health facilities capable of electronic medical data transfer, remote patient treatment and collaborative research efforts.  Awarded in September 1996.

Source: INPUT

## Issues at HHS

1. In many ways, the National Institutes of Health (NIH) is setting the pace for acquisition reform under the recently enacted information technology procurement regulations. The HHS operating division has made full use of simplified acquisition procedures by initiating four major indefinite delivery/indefinite quantity (IDIQ) multiple award contract vehicles:

- 20 primes provide integration and outsourcing support under the \$100 million Chief Information Officer Solutions and Partners (CIOSP) contract
- 20 primes provide electronic imaging and document management systems under the \$100 million ImageWorld Contract
- 19 primes provide equipment and services to create an interconnected health information network through the \$42 million Health Applications for the

## National Information Infrastructure contract

- 17 vendors provide on-line access to commercial office automation computers and peripherals via the \$97 million NIH Electronic Computer Store

While not all are open to government-wide purchasing, the flexible contracts are similar to GSA's Multiple Award Schedule program — both of which are taking a hit at traditional IDIQs such as the Army's Small Multiuser Computer II program and the Navy's PC LAN+. The relative success of NIH programs is largely attributable to increased competition, quick award and order fulfillment rates, the ability to buy until the end of a fiscal year and the ability of customers to manage their own procurements. NIH catalogues and other multiple award contract information can be found on the Internet at "<http://www.nih.gov/od/oirm>".



2. Two recent GAO reports (AIMD-96-86 and HEHS-97-23) highlight the increased consumer demand for health care information and the lack of adequate data dissemination by certain Health and Human Services operating divisions, notably the Health Care Financing Administration. While state, local and private organizations support health care data gathering, processing and dissemination, HHS — principally through the Agency for Health Care Policy and Research (AHCPR) — is charged with the oversight and implementation of such activities.

GAO credits HHS with developing its information systems and their availability to the public, but questions and weaknesses remain with the systems' cost and efficiency, information quality, security, privacy and information overload. Because no comprehensive inventory of health information projects exists, most of these uncertainties will likely go unanswered in the near future. In March of this year, however, HHS made an effort to improve its data dissemination efficiency by issuing agency-wide technical guidelines for on-line consumer service sites.

3. The \$42 million Health Applications for the National Information Infrastructure program significantly advances the telemedicine efforts of the Department of Health and Human Services. Awarded in October to 19 primes covering 19 regions throughout the U.S., the program promises to create an interconnected network of health care, clinical research and public health facilities capable of electronic medical data transfer, remote patient treatment and collaborative research efforts. While this program is funded by the National Library of Medicine, federal efforts to advance telemedicine are coordinated by the Joint Working Group on Telemedicine under the direction of the HHS Data Council and the Vice President's National Information Infrastructure initiative.

4. In September of this year, the Centers for Disease Control and Prevention (CDC) awarded its \$243 million Information Systems Support Services (CISSS) contract to TRW. Primarily servicing CDC's Atlanta headquarters, TRW is to provide integrated information systems, programming and program related services to aid the agency's research efforts. The vendor is also charged with configuration support and software development to rectify the Centers' inevitable year 2000 computer date entry problem. While such efforts will begin shortly, CDC may be too late to correct the problem in time, as with most other federal agencies. The House Subcommittee on Government Management, Information and Technology recently rated the Department of Health and Human Services' overall efforts at devising a strategy to cope with the problem with a "D".

5. The Health Care Financing Administration (HCFA) continues to face criticism for the level of fraud and abuse in the Medicare and Medicaid federal assistance programs. A key issue is the ability of known fraudulent health care providers to remain in the federal programs, or to be excluded in one state while allowed to participate in another. In its report to Congress (T-HEHS-96-205), GAO placed the brunt of the ongoing problem on HHS' Office of the Inspector General, noting weaknesses in its decision-making process, inconsistencies among its field offices and a lack of guidance and coordination for state and local entities collecting and reporting health care provider information.

While fraud and abuse continue in the health care provider realm, they are no less common in the consumer realm. To combat fraudulent claims and billing errors, HCFA is moving forth with its Medicare Transaction System (MTS) to consolidate 14 separate claims processing systems into a single system capable of handling one billion transactions per year. The recompute of the

original \$19 million MTS contract to GTE calls for commercial auditing software that can detect fraud and abuse in Medicare claims. The \$127 million recompetete, slated for award in March 1997, is expected to save HCFA \$200 million annually in administrative costs, is anticipated to reduce fraud and will bolster processing consistency — all current weaknesses.

6. The NIH National Information Technology Acquisition and Assessment Center (NITAAC) recently experienced a major reorganization of its top management positions. Until late October, Manny De Vera headed the office, which has oversight of three high-profile contracts: ImageWorld, the Electronic Computer Store and Chief Information Officer Solutions and Partners. NIH Associate Director for Administration, Leamon Lee, will take over the position and has already added 20 new staff members to NITAAC. Industry and government sources speculate that the changes may be the result of increasing tension between those who aggressively pursue new procurement methods, such as De Vera, and those who favor gradual change.

## **On-Line Information Resources**

The Department of Health and Human Services maintains a World Wide Web home page accessible at "<http://www.os.dhhs.gov>". While organizational and public affairs information is available, this site is primarily a consumer information repository. Technical reports and agency guidelines on IRM are also provided through the home page, and can be accessed directly at "<http://www.os.dhhs.gov/policy/>".

Business opportunities at HHS are primarily posted on individual operating division home pages, which are available via the Department's home page. Health and Human Services does offer a limited number of electronic bulletin board systems (BBS) for major IT initiatives, such as the Project CERTAN BBS at (301) 402-2221 and the Medicare Transaction System (MTS) BBS at (410) 786-0196.

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This Agency Profile is issued as part of INPUT's Federal IT Market Analysis Program. If you have questions or comments on this profile, please call your local INPUT organization or Marco de Vries at INPUT, 1921 Gallows Road, Suite 250, Vienna, VA 22182-3900. Tel. (703) 847-6870.



# Agency Profile

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## Department of the Navy

### Purpose

The primary responsibility of the Department of the Navy is to protect the United States through the effective conduct of war at sea. With its Marine Corps component, the Navy is also charged with the seizure or defense of advanced naval bases, supporting the forces of all military departments of the United States, as required, and securing a state of freedom of the seas.

### Organization

The Department of the Navy and the Office of the Secretary of the Navy were established by Act of April 30, 1798 (10 U.S.C. 5011, 5031). The National Security Act Amendments of 1949 (63 Stat. 578) provided that the Department of the Navy be a military department within the Department of Defense.

As with all military departments, the operation and control of the Navy are subject to the direction of the President, as Commander in Chief, and the Secretary of Defense. Authority for management and administration of the Navy's activities is delegated to the Secretary of the Navy, who is appointed by the President with the advice and consent of the Senate. The Under Secretary of the Navy, four Assistant Secretaries and the General Counsel comprise the Civilian Executive Assistants, the principal aids and advisors to the Secretary on

administrative matters. Further assistance is provided by the Staff Assistants to the Secretary, who are the Naval Inspector General, the Auditor General, Chief of Information, Chief of Legislative Affairs and the Judge Advocate General.

The Chief of Naval Operations, under the Secretary of the Navy, exercises command over major executive organizations, 17 assigned commands and shore activities and the Operating Forces of the Navy. The Chief of Naval Operations is the principal military advisor to the Secretary and is the Navy member of the Joint Chiefs of Staff. The Commandant of the Marine Corps serves as the Chief of Naval Operations' counterpart for the United States Marine Corps.

The Department is currently directed by Secretary of the Navy John H. Dalton and employs approximately 409,000 active duty military personnel and 216,500 civilian personnel. Respectively, these figures represent a 6% and a 17% reduction from 1995 employment levels, reflective of ongoing Navy downsizing. The Marine Corps employs approximately 174,000 military personnel, down slightly from 174,600 last year. The Navy carries out its mission at its Pentagon headquarters in Washington, DC and at active duty military bases and deployed ships throughout the world. The organizational structure of the Department of the Navy is presented in Exhibits 1 and 2.



Exhibit 1

**Navy Secretariat Organization**

- Secretary of the Navy  
Under Secretary of the Navy
- Assistant Secretary (Research, Development and Acquisition)
  - Assistant Secretary (Manpower and Reserve Affairs)
  - Assistant Secretary (Installations and Environment)
  - Assistant Secretary (Financial Management)
  - Commandant of the Marine Corps
  - Chief of Naval Operations
  - Chief of Legislative Affairs
  - Chief of Information
  - Judge Advocate General
  - Naval Inspector General
  - Auditor General
  - General Counsel
  - Director of Program Appraisal

*Source: U.S. Government Manual 1996*

**Program Activities**

Below are the primary commands and shore establishments within the Department of the Navy, which offer insight into the agency's major program activities. Due to their volume, secretariat offices and the Navy Operating Forces listed in Exhibits 1 and 2 are omitted here.

*a. Sea Systems*

The Commander, Naval Sea Systems Command, provides material support to the Navy and Marine Corps for ships, submarines and other sea platforms, shipboard combat systems and components, as well as other surface and undersea warfare and weapons systems not specifically assigned to other system commands. The Naval Sea Systems Command also provides support to the Department of Defense and Department of Transportation for mobilization purposes.

Exhibit 2

**Navy Field Organization**

- Chief of Naval Operations
- Commands and Shore Establishments:**
- Naval Sea Systems Command
  - Naval Air Systems Command
  - Naval Space Command
  - Space and Naval Warfare Systems Command
  - Naval Supply Systems Command
  - Naval Facilities Engineering Command
  - Naval Computer and Telecommunications Command
  - Naval Doctrine Command
  - Naval Meteorology and Oceanography Command
  - Naval Security Group Command
  - Naval Legal Service Command
  - Bureau of Naval Personnel
  - Bureau of Medicine and Surgery
  - Strategic Systems Programs
  - Chief of Naval Education and Training
  - Office of Naval Intelligence
  - Naval Safety Center
- Operating Forces:**
- Naval Reserve Forces
  - Operational Test and Evaluation Forces
  - Naval Special Warfare Command
  - Military Sealift Command
  - U.S. Naval Forces Europe
  - U.S. Naval Forces Central Command
  - Atlantic Fleet
  - Pacific Fleet
- Commandant of the Marine Corps
- Supporting Establishment**
- Operating Forces of the Marine Corps:**
- Fleet Marine Force Atlantic
  - Fleet Marine Force Pacific
  - Marine Corps Reserve
  - Marine Security Forces
  - Marine Detachments Afloat

*Source: U.S. Government Manual 1996*

*b. Air Systems*

The Commander of the Naval Air Systems Command provides material support to the Navy and Marine Corps for aircraft, airborne weapon systems, avionics, related photographic and support equipment, as well as ranges and targets.

*c. Space and Naval Warfare Systems*

The Commander, Space and Naval Warfare Systems Command, provides technical and material support to the Department of the Navy for space systems; command, control, communications and intelligence (C3I) systems; and electronic warfare and undersea surveillance.

*d. Supply Systems*

The Naval Supply Systems Command provides supply management policies and methods and administers related support service systems for the Navy and Marine Corps.

*e. Facilities*

The Commander, Naval Facilities Engineering Command, provides material and technical support to the Navy and Marine Corps for shore facilities, real property and utilities, fixed ocean systems and structures, transportation and construction equipment, energy, environmental and natural resources management and support of the Naval Construction Forces.

*f. Strategic Systems*

The Director of Strategic Systems Programs provides development, production and material support to the Navy for fleet ballistic missile and strategic weapon systems, including the missiles, platforms and associated equipment. The Office of Strategic Systems Programs also supports security, training of personnel and the installation and direction of necessary facilities.

*g. Personnel*

The Chief of Naval Personnel directs the procurement, distribution and administration of the Navy's regular and reserve military personnel components to meet the quantitative and qualitative manpower requirements as determined by the Chief of Naval Operations. The Chief of Naval Personnel also directs the management and administration of the Navy Civilian Personnel/Equal Employment Opportunity Programs and develops servicewide programs for improved human resources management.

*h. Medicine*

The Navy's Bureau of Medicine and Surgery directs the provision of medical and dental services for Navy and Marine Corps personnel, and it ensures that health care program policies are properly executed through the acquisition and utilization of financial and manpower resources. The Bureau also administers the implementation of contingency support plans and programs that provide for a sufficient medical and dental readiness capability.

*i. Oceanography*

The Naval Meteorology and Oceanography Command and the U.S. Naval Observatory are responsible for the science, technology, engineering, operations and those personnel and facilities associated with exploring the ocean and the atmosphere and providing astronomical data for naval and related national objectives. The Command examines how naval operations are influenced by the physical environment and applies its findings to the development of technology and methods for improving naval operations.

*j. Space*

The Naval Space Command provides operational space systems to naval forces worldwide and prepares the naval service for extended future involvement in space. The



Command has operational responsibility for all Navy space-related systems, including the Navy Navigation Satellite System, the Naval Space Surveillance System and elements supporting the Fleet Satellite Communications System. The Command identifies fleet operational requirements for space systems and is responsible for ensuring that national space capabilities are integrated into the Navy's operational plans.

*k. Legal Services*

Under the instruction of the Chief of Naval Operations, the Commander of the Naval Legal Service Command administers the legal services program within the Navy and provides direction for all Naval Legal Service Command activities and resources.

*l. Computers and Telecommunications*

The Naval Computer and Telecommunications Command performs functions to provide, operate and maintain all Navy shore-based communications resources and all nontactical information and resources for command, control and administration of the Navy, as well as for those elements of the Defense Communications System assigned to the Navy.

*m. Cryptology*

The Naval Security Group Command performs cryptologic functions, approves requirements for the use of existing Naval Security Group capabilities and resources and coordinates the execution of approved cryptologic programs.

*n. Intelligence*

The Director of the Office of Naval Intelligence administers intelligence activities and ensures the fulfillment of such requirements for the Department of the Navy.

*o. Education and Training*

The Chief of Naval Education and Training has oversight of assigned shore-based education and training for Navy, specified Marine Corps and other personnel in support

of the fleet, Naval Shore Establishment, Naval Reserve, Interservice Training Program and the Security Assistance Program. The Chief of Naval Education and Training also participates with research and development activities in the implementation of systems and devices for teaching and training.

*p. Doctrine*

The Naval Doctrine Command is the primary authority for the development of naval concepts and integrated naval doctrine. The Command provides a coordinated Navy/Marine Corps voice in joint and combined doctrine development, and it ensures that Navy and joint doctrine are addressed in training and education curricula and in operations and exercises.

*q. United States Marine Corps*

The Marine Corps, within the Department of the Navy, is organized, trained and equipped to provide Fleet Marine Forces with supporting air components in the seizure or defense of advanced naval bases and for the conduct of land operations as may be necessary in a naval campaign. In addition, the Marine Corps provides detachments and organizations for service on armed vessels of the Navy, provides security detachments for the protection of naval property and performs other duties as directed by the President. In coordination with the Army and the Air Force, the Marine Corps also develops those phases of amphibious operations that pertain to the tactics, techniques and equipment used by landing forces.

*r. United States Naval Academy*

The United States Naval Academy is the undergraduate college of the naval service. Through its comprehensive four-year program — which stresses academics, physical education, professional training, conduct and honor — the Academy prepares men and women to be professional officers in the Navy and Marine Corps.



## Program Budget

With continued base realignments and closures, federal funding for the Department of the Navy is anticipated to decline approximately 6% from fiscal year 1995 to fiscal year 1997. The accounts that will likely be impacted the most during this time period are those for the Navy's military personnel (down 4%), operation and maintenance (down 7%), procurement and shipbuilding (down 14% and 27%), as well as research, development, test and evaluation activities (down 14%). With increased use of the Marine Corps for small-scale interventions

and activities throughout the world, the Corps' funding is actually expected to increase in all of these categories from 1995 to 1997. The Marine Corps' largest budgetary increases are slated for operation and maintenance of reserve forces (up 17%), procurement (up 42%) and family housing (up 17%).

The program budget for the Navy is presented in Exhibit 3. These figures represent gross funds and do not account for offsetting collections or changes in orders on hand from federal sources, where applicable.

Exhibit 3

### Program Budget of the Department of the Navy

Program Accounts	FY 1995 (actual)	FY 1996 (estimate)	FY 1997 (estimate)
Military Personnel, Navy	\$18,008	\$17,266	\$17,218
Military Personnel, Marine Corps	5,802	5,864	6,132
Reserve Personnel, Navy	1,423	1,384	1,392
Reserve Personnel, Marine Corps	353	379	381
Operation and Maintenance, Navy	25,763	25,025	23,909
Operation and Maintenance, Marine Corps	2,537	2,833	2,616
Reserve Operation and Maintenance, Navy	878	858	864
Reserve Operation and Maintenance, Marine Corps	87	104	102
Aircraft Procurement, Navy	4,191	4,427	5,889
Weapons Procurement, Navy	2,078	1,561	1,475
Ammunition Procurement, Navy and Marine Corps	415	419	NA
Shipbuilding and Conversion, Navy	6,723	6,507	4,912
Other Procurement, Navy	3,197	2,435	2,750
Procurement, Marine Corps	397	449	565
Research, Development, Test and Evaluation, Navy	8,689	8,488	7,445
Military Construction, Navy	761	916	906
Family Housing, Navy and Marine Corps	1,227	1,593	1,439
Base Realignment and Closure, Navy	1,755	2,502	1,445

All figures in \$ Millions

Source: Budget of the United States Government FY1997, February 5, 1996

## Information Technology Budget

The information technology (IT) budget of the Department of the Navy is expected to sustain a compound annual growth rate (CAGR) of less than 1% over the next five years. While the constant decline in spending on personnel is generating a growing requirement for support services and purchases of equipment and software, their growth rates counteract each other and create the appearance of a stagnant overall IT budget for the Navy. With increased spending on equipment, software and professional services, the contracted out

portion of the information technology budget is naturally anticipated to increase over the next several years — from \$1.2 billion, or 62% of the total budget in 1996 to over \$1.3 billion, or 69% of the total budget in 2001.

The information technology budget of the Navy is provided in Exhibit 4. The data shown includes the information technology budget of the Marine Corps, which historically represents approximately 10% of the total Navy IT budget. Figures are rounded to the nearest million and may account for subtotal discrepancies.

Exhibit 4

### Information Technology Budget of the Department of the Navy

Category	1996	1997	1998	1999	2000	2001	CAGR 1996- 2001
<b>Equipment:</b>							
Capital Purchases	\$172	\$182	\$186	\$190	\$196	\$203	3%
Other Purchases and Leases	236	236	240	246	254	263	2%
<b>Total Equipment</b>	<b>407</b>	<b>418</b>	<b>426</b>	<b>437</b>	<b>450</b>	<b>465</b>	<b>3%</b>
<b>Software:</b>							
Capital Purchases	18	18	18	19	20	20	3%
Other Purchases and Leases	68	81	83	86	90	94	7%
<b>Total Software</b>	<b>85</b>	<b>99</b>	<b>101</b>	<b>105</b>	<b>109</b>	<b>114</b>	<b>6%</b>
<b>Services (Processing and Telecom.)</b>	<b>217</b>	<b>204</b>	<b>208</b>	<b>213</b>	<b>219</b>	<b>227</b>	<b>1%</b>
<b>Support Services</b>	<b>442</b>	<b>412</b>	<b>428</b>	<b>447</b>	<b>470</b>	<b>495</b>	<b>2%</b>
<b>Supplies</b>	<b>42</b>	<b>40</b>	<b>41</b>	<b>42</b>	<b>43</b>	<b>44</b>	<b>1%</b>
<b>Personnel</b>	<b>670</b>	<b>661</b>	<b>641</b>	<b>616</b>	<b>585</b>	<b>561</b>	<b>-3%</b>
<b>Other FIP Resources</b>	<b>34</b>	<b>31</b>	<b>32</b>	<b>34</b>	<b>35</b>	<b>36</b>	<b>2%</b>
<b>Contracted Out Portion of IT Budget</b>	<b>1,186</b>	<b>1,163</b>	<b>1,196</b>	<b>1,236</b>	<b>1,283</b>	<b>1,339</b>	<b>2%</b>
<b>Total IT Budget</b>	<b>1,898</b>	<b>1,864</b>	<b>1,878</b>	<b>1,893</b>	<b>1,911</b>	<b>1,945</b>	<b>-%</b>

All figures in \$ Millions

Source: Department of the Navy and INPUT



## IT Contract Opportunities

The Department of the Navy is currently pursuing at least 76 major IT contract vehicles. Due to the volume of anticipated programs, the acquisitions summarized below are only those with known values of more than \$30 million:

### *a. AEGIS Support Services (AEGIS-SS)*

Type: Umbrella

The AEGIS Combat Systems Center (ACSC) at Wallops Island, Virginia has a number of requirements for information technology hardware, software and program management support services in conjunction with the Navy's AEGIS-class high-tech warships. This umbrella program is comprised of seven individual acquisitions, one awarded and six active. The following are known to be worth \$30 million or more:

- *AEGIS Test and Evaluation Support Recompete*

Type: Firm Fixed Price

The Navy intends to recompete its current contract with Syscon Corp. for technical and engineering support related to the test and evaluation (T&E) of the AEGIS Combat System and the AEGIS Weapon System.

- *Program Management, Ship Integration and Configuration*

Type: TBD

The Naval Sea Systems Command (NAVSEA) has a requirement for program management, ship systems integration, configuration management technical support and all necessary facilities and equipment to support the Program Executive Office for the Surface Combatants/AEGIS Program (PEO SC/AP).

- *Systems Engineering and Technical Support Services*

Type: TBD

The Navy requires systems engineering and technical support services for the PEO SC/AP Technical Division, to include all warfare mission areas that are assigned to the AEGIS-class ships.

### *b. Super-Minicomputer 3*

Type: IDIQ

The Space and Naval Warfare Systems Command (SPAWAR) intends to acquire commercial off-the-shelf (COTS) client servers, firmware, software and other components that are nonproprietary, vendor independent and upgradable for the previously awarded department-wide Super-Minicomputer contracts.

### *c. Voice, Video and Data Communications (ViViD)*

Type: Cost Plus Fixed Fee

The Naval Information Systems Management Center (NISMC) and SPAWAR have a joint requirement for base telecommunications switching equipment and services, private branch exchanges (PBX) and CPE such as telephones and modems.

### *d. Engineering Services in Support of Air Traffic Control Systems*

Type: Cost Plus Fixed Fee

The Naval Air Warfare Center Aircraft Division (NAWCAD) has a continuing need for engineering and logistics services in support of Air Traffic Control and Landing Systems (ATC&LS), including Identification Friend or Foe (IFF) equipment.



*e. Advanced Distributed Simulation Technology III (ADST III)*

Type: IDIQ

The Navy will likely recompetite its current contract with Lockheed Martin for engineering, logistics, program management and operation and maintenance services in support of government-owned Simulation Test Facilities (STF) located in Alabama, Kentucky, Georgia and Virginia.

*f. Navy Desktop (NAVDESK)*

Type: IDIQ

While currently on hold, the Naval Computer and Telecommunications Command (NCTC) may competitively acquire commercial and advanced application desktop microcomputers. Systems are to operate in a networked environment based on PC LAN architecture and GOSIP.

*g. Multifunctional Information Distribution Systems - Low Volume Terminals (MIDS-LVT)*

Type: IDIQ

SPAWAR intends to purchase approximately 1,000 MIDS-LVT units as part of a cooperative international (U.S., France, Germany, Italy, Spain) program established to develop tactical information system terminals that are smaller, lighter, fully compatible with and as capable as the current Joint Tactical Information Distribution System Class 2 terminals.

*h. Navy PC LAN III (NAVNET III)*

Type: TBD

A follow-on to the Navy PC LAN Plus contract held by EDS, this opportunity will provide the Navy with the development, acquisition, installation and maintenance of local area networks, as well as enhancement of networks to improve the Navy's overall system interoperability and connectivity.

*i. New Technologies for Office and Portable Systems 2 (NTOPS 2)*

Type: IDIQ

Under NTOPS 2, the Navy will continue to procure advanced technology desktop and portable computer systems, software and accessories to support department-wide office automation requirements.

*j. Scientific and Engineering Support Services (SESS)*

Type: Cost Plus Fixed Fee

The last remaining opportunity under the Naval Air Warfare Center Omnibus Support Services (NAWCWPNS) umbrella program, this opportunity will provide scientific, engineering, administrative and communications support services for various Naval Air Warfare Center projects.

*k. Intelligence and Information Technology Management Services (IITM)*

Type: IDIQ

NISMC intends to acquire mission critical support services on behalf of the Office of Naval Intelligence (ONI). The proposed consolidation contract will satisfy the study, planning, automation, research, acquisition and high technology support requirements of ONI.

*l. Networking Support Services Recompetite (NSS)*

Type: IDIQ

NISMC has an ongoing requirement for network services to support the Naval Air Warfare Center Weapons Division at China Lake, California. Current contractor OAO Corp. provides all materials and facilities necessary for the planning, development, installation, operations, maintenance, modifications and enhancements of both wide and local area networks.

*m. Consolidated Area Telecommunications System II (CATS II)*

Type: IDIQ

The Navy plans to award a single contract to acquire an interim means of providing maintenance and upgrades to the Consolidated Area Telecommunications System (CATS) in San Diego, California.

*n. Tactical Advanced Signal Processor (TASP)*

Type: IDIQ

The Navy has a requirement for digital signal processing (DSP) components for use in land-based sites, as well as for embedded elements in airborne, surface ship, submarine and tactical weapon systems within the Navy, Marine Corps, Coast Guard and other Department of Defense military departments.

*o. Automated Tech Control (ATC)*

Type: TBD

SPAWAR intends to acquire network services and equipment in a continuing effort to upgrade 50 to 60 regional telecommunications systems. The ATC systems will automate real-time circuit performance monitoring and fault isolation and eliminate the possibility of establishing circuits which violate communications security doctrine, among others.

*p. Acquisition, Financial, Logistic, Management and Engineering Support Services*

Type: Cost Plus Fixed Fee

The Naval Sea Systems Command has a continuing need for a wide range of professional services, from acquisition and financial management support to systems engineering and IRM support.

*q. Technical and Engineering Radio Services*

Type: TBD

NAWCAD intends to obtain technical and engineering services to support the integration, testing, installation and certification of radio communication systems for U.S. Navy vessels, including AEGIS-class ships.

*r. Engineering and Technical Support Services*

Type: IDIQ

The Navy's Advanced Technology Laboratory in East Charleston, South Carolina has a requirement for a broad range of engineering and technical services for advanced commercial satellite communication systems, mobile radio systems and transportation systems.

## Navy Acquisition Profile

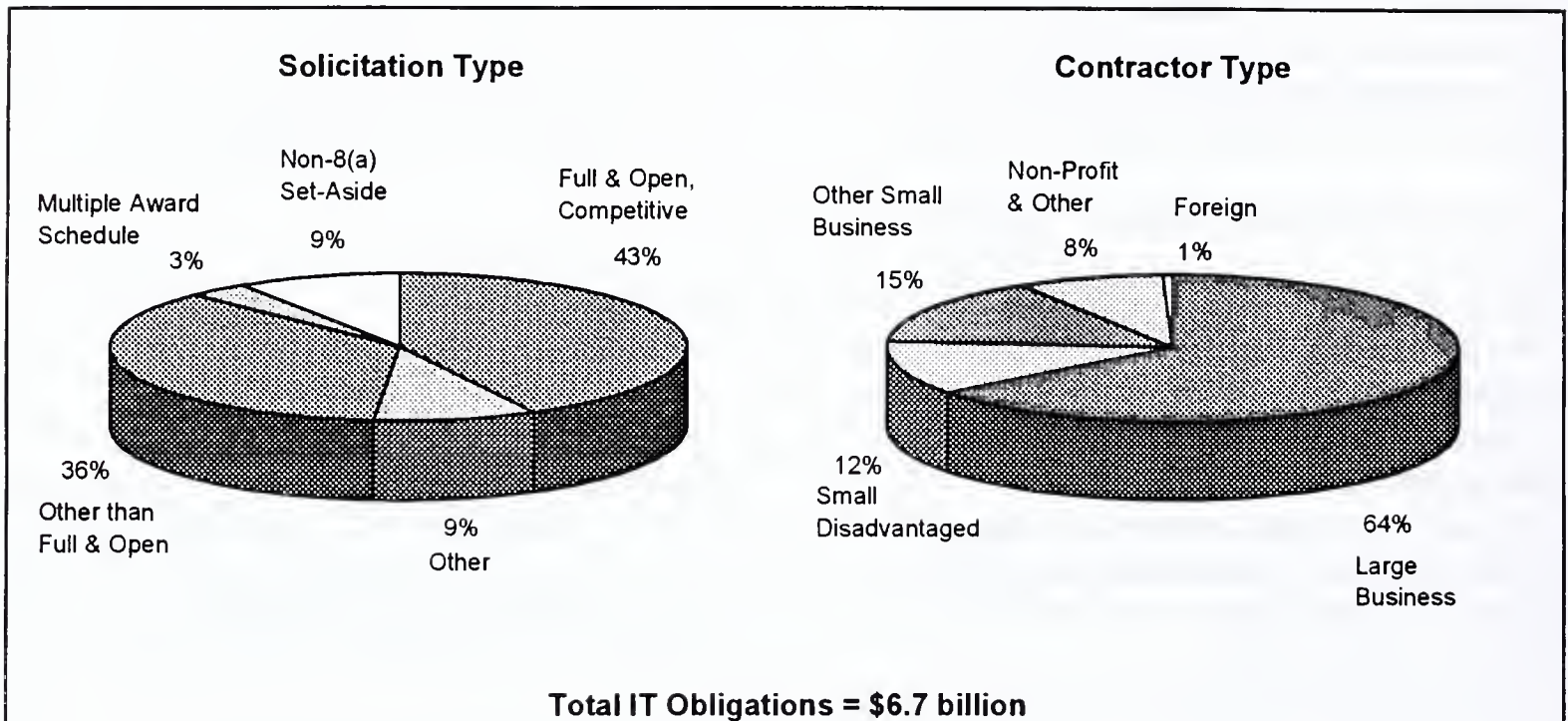
Exhibit 5 provides a graphical summary of the procurement vehicles used by the Department of the Navy to acquire its IT products and services, as well as the type of contractor providing them. These figures reflect shares of the total information technology contract dollars obligated by the agency from 4QFY 1995 to 3QFY 1996.

Other than full and open competition encompasses various solicitation vehicles, including 8(a) set-asides, limited competition, as well as negotiated and alternate source purchases. In addition to non-profit organizations, domestic contractors performing work outside the continental U.S. comprise the "non-profit and other" contractor component.



Exhibit 5

### Acquisition Profile for the Department of the Navy 4QFY 1995 - 3QFY 1996



Source: FPDC and INPUT

### Top Contractors and Obligations by State

A list of the top IT contractors with the Department of the Navy is provided in Exhibit 6. Exhibit 7 lists the top 20 states of performance for the agency's IT obligations. Contract obligations are the government's intent to purchase, and while not necessarily spent, they do reflect actual spending trends. Contract actions performed in Washington, DC, Maryland and Virginia comprised 34% of the Navy's total IT obligations from 4QFY 1995 to 3QFY 1996. This data is based on obligations reported to the Federal Procurement Data Center (FPDC) at GSA for contract actions dated between July 1, 1995 and June 30, 1996.

Exhibit 6

### Top Contractors at the Navy 4QFY 1995 - 3QFY 1996

1. Lockheed Martin Corporation
2. McDonnell Douglas Corporation
3. Vitro Corporation
4. PRC
5. Raytheon Company
6. Hughes Aircraft Company
7. E-Systems, Inc.
8. Northrop Grumman Corporation
9. Science Applications International Corporation
10. Electronic Data Systems Corporation

Source: FPDC



Exhibit 7

**Top Department of the Navy Obligations by State  
4QFY 1995 - 3QFY 1996**

State	IT Obligations	State	IT Obligations
1. Virginia	\$1,519,279	11. Connecticut	\$139,579
2. California	\$1,166,101	12. South Carolina	\$134,935
3. Maryland	\$681,836	13. Indiana	\$104,718
4. Florida	\$466,512	14. New Hampshire	\$99,110
5. New Jersey	\$335,472	15. Washington	\$94,557
6. Missouri	\$332,436	16. Rhode Island	\$94,553
7. New York	\$263,849	17. Washington, DC	\$77,244
8. Massachusetts	\$176,154	18. Mississippi	\$76,560
9. Texas	\$164,394	19. Alabama	\$75,699
10. Pennsylvania	\$152,830	20. Georgia	\$75,391

*All figures in \$ Thousands*

*Source: FPDC and INPUT*

## Major Contracts

At least 104 major IT contracts are currently active at the Department of the Navy. Due to their volume, Exhibit 8 provides a brief overview of only those contracts with known values exceeding \$50 million. Currently, the agency has 38 major indefinite delivery/indefinite quantity (IDIQ) contract vehicles in place, which have a potential combined life-time value of \$7.9 billion. INPUT speculates increased use of agency and interagency IDIQ contracts in response to the simplification of regulations governing the purchase of commercial items. This information is taken from INPUT's IMPACT database of active and awarded IT programs.

## Exhibit 8

## Major Contracts at the Department of the Navy

<u>Program</u>	<u>Type</u>	<u>Size</u>	<u>Description</u>
1. NWSC Crane Support Services	Professional Services — Cost Plus Fixed Fee	\$71M 8 yrs.	CACI provides ADP support services for the Ordnance Management System (OMS), the Fleet Optical Scanning Ammunition Marking System (FOSAMS) and the Non-Nuclear Ammunition Inventory Accuracy (NAIA) program at the Naval Weapons Support Center (NWSC) in Crane, Indiana. Awarded in February 1990.
2. Primary Environmental Processing System Upgrade/Replacement (PEPSU/PEPSR)	Hardware/ Software — Various	\$205M 10 yrs.	Northrop Grumman provides replacement hardware and peripherals and the professional services necessary to meet the expanding requirements of the Primary Environmental Processing System (PEPS), the hub of the Naval Environmental Data Network (NEDN) designed to receive and analyze worldwide oceanographic and meteorological data. Awarded in April 1990.
3. Large-Scale Computer System (LSCS)	Hardware/ Software — Firm Fixed Price	\$204M 10 yrs.	Northrop Grumman provides large-scale processors, a mass storage subsystem, on-line disk storage, input/output devices, a high-speed local area network, as well as facilities management and systems maintenance at the Naval Oceanographic Office. Awarded in April 1990.
4. Standard Desktop Computer Companion (COMPANION)	Hardware/ Software — Firm Fixed Price	\$609M 7 yrs.	GTSI provides for worldwide delivery of hardware and software upgrades in support of 400,000 DoD Small Computer Program computers, including Zenith models 248, 120 and 184. Upgrades are mandatory for the Air Force and Defense Logistics Agency (DLA), but not for the Army and Navy. Awarded in January 1991.
5. Navy PC LAN Contract (AFCAC 299)	Network Services — IDIQ	\$136M 6 yrs.	While almost expired and largely replaced by the follow-on PC-LAN+ contract with EDS, Digital Equipment Corp. provides the DoD, FBI and other federal agencies with installation and maintenance of work group and enterprise networks to provide communications with host systems through gateways. Awarded in March 1991.
6. Follow-On Scientific and Engineering Computer System (FOSECS)	Hardware/ Software — Firm Fixed Price	\$69M 10 yrs.	Federal Computer Corporation provides a large-scale scientific and engineering computer system to process unclassified computer workloads for research and development activities at NWSC. Awarded in August 1991.
7. Tactical Advanced Computers III (TAC-III)	Hardware/ Software — IDIQ	\$172M 7 yrs.	HBC (a joint venture between Hughes Data Systems and BTG) provides workstations and other equipment used as tactical decision aids and to provide worldwide command and control (C2) support for the Navy, Marine Corps, Coast Guard and other DoD agencies. This program runs simultaneously with TAC-IV. Awarded in March 1992.

## Major Contracts at the Department of the Navy (cont.)

<u>Program</u>	<u>Type</u>	<u>Size</u>	<u>Description</u>
8. Inventory Control Points Resolicitation (ICP II)	Professional Services — IDIQ	\$150M 5 yrs.	Federal Data Corporation and Pacific Corporation provide maintenance services for existing IBM-based ADP systems, compatible upgrade equipment and software support services for the Navy Inventory Control Points and Trident Refit data processing workloads and communication interfaces.  Awarded in September 1992.
9. Super-Minicomputer 2 (AFCAC 300)	Hardware/ Software — IDIQ	\$2.9B 9 yrs.	PRC provides general purpose super-minicomputer systems to support a wide range of office automation, finance, inventory, command and control, engineering and training functions for the Navy, Army, Air Force, DLA, Coast Guard and other federal agencies.  Awarded in October 1992.
10. Hardware, Software, Training and Documentation (NALCOMIS III)	Hardware/ Software — IDIQ	\$72M 8 yrs.	Sysorex Information Systems provides FIP resources to the Naval Aviation Logistics Command Management Information System (NALCOMIS) through hardware, systems software, training and integrated logistics services.  Awarded in December 1992.
11. Continued Phase II Deployment and Support (NALCOMIS II)	Hardware/ Software — IDIQ	\$75M 7 yrs.	Eastern Computers, Integrated Systems Group and Wang provide hardware, software, peripherals, systems maintenance and training for the continued deployment of NALCOMIS, as well as common support for deployed NALCOMIS.  Awarded from April to August 1993.
12. PMTC Support Services	Professional Services — IDIQ	\$50M 5 yrs.	Metters Industries provides ADP support services in the areas of systems development and analysis, maintenance, test and evaluation, installation and integration consultation and training systems development for the Pacific Missile Test Center (PMTC) at Point Mugu, California.  Awarded in July 1993.
13. NAVFAC CAD/CAM II (CAD II)	Hardware/ Software — IDIQ	\$821M 12 yrs.	Under the Navy's umbrella CAD II program to standardize weapons design, Intergraph and Cordant provide the Naval Facilities Engineering Command with facilities engineering applications for computer-aided design/computer-aided manufacturing (CAD/CAM) integrated systems.  Awarded in August 1993.
14. CAD/CAM II (CAD II)	Hardware/ Software — IDIQ	\$398M 12 yrs.	Under the Navy's umbrella CAD II program to standardize weapons design, Intergraph provides CAD/CAM integrated systems for the engineering and support of Naval weapons systems.  Awarded in July 1994.



## Major Contracts at the Department of the Navy (cont.)

<u>Program</u>	<u>Type</u>	<u>Size</u>	<u>Description</u>
15. High Speed Fleet Broadcast Systems (USQ122)	Network Services — Firm Fixed Price	\$64M 5 yrs.	RJO Enterprises is responsible for the systems manufacture, integration, test and logistical support of approximately 500 High Speed Fleet Broadcast/High Frequency Data Systems (HSFB/HFDS).  Awarded in December 1994.
16. Acquisition, Financial, Logistic, Management and Engineering Support Services	Professional Services — Cost Plus Fixed Fee	\$53M 5 yrs.	Vitro provides the Naval Sea Systems Command with professional IRM services in support of its AN/SQQ-89 Surface Ship Anti-Submarine Warfare (ASW) Combat Systems Program and the AN/SRQ-4 Radio Terminal Set Program.  Awarded in December 1994.
17. Tactical Advanced Computers 4 (TAC-IV)	Hardware/Software — IDIQ	\$673M 6 yrs.	Hewlett-Packard provides high performance tactical workstations, file servers, software, training, maintenance and spare parts to the Marine Corps and Coast Guard in support of the U.S. Navy Standard Desktop Tactical-Support Computer (DTC) Program. This program runs simultaneously with TAC-III.  Awarded in January 1995.
18. Tactical Combat Training System (TCTS)	Hardware/Software — Cost Plus Fixed Fee	\$74M 4 yrs.	Raytheon provides NAVAIR with a new fleet deployable training system capable of providing single platform warfare training, multiplatform coordinated combat training and integrated battle group multiwarfare training.  Awarded in March 1995.
19. Networking Support Services (NSS)	Network Services — IDIQ	\$93M 5 yrs.	OAO Corporation provides network support services for naval activities at the Naval Air Warfare Center Weapons Division (NAWCWPNS) in China Lake, California.  Awarded in May 1995.
20. JTASC Technical Services	Professional Services — Cost Plus Fixed Fee	\$57M 5 yrs.	TRW provides the Navy's United States Atlantic Command (USACOM) with technical and general support services for its Joint Training, Analysis and Simulation Center (JTASC) in Suffolk, Virginia.  Awarded in June 1995.
21. Navy PC LAN Plus (PC-LAN+)	Network Services — IDIQ	\$480M 5 yrs.	EDS provides the Navy with continued development, acquisition, installation and maintenance of local area networks (LAN) throughout the DoD, FBI and other federal agencies.  Awarded in September 1995.
22. Integrated Undersea Surveillance Systems Logistic Support Facility (SE&I)	Professional Services — Cost Plus Award Fee	\$68M 5 yrs.	TRW provides systems engineering and integration support services for the Logistic Support Facility (LSF) in SPAWAR's Undersea Surveillance Program Directorate.  Awarded in September 1995.

## Major Contracts at the Department of the Navy (cont.)

<u>Program</u>	<u>Type</u>	<u>Size</u>	<u>Description</u>
23. Advanced Distributed Simulation Technology II (ADST II)	Professional Services — IDIQ	\$500M 5 yrs.	Lockheed Martin provides site management and general operations, Battlemaster and SAFOR (or CGF) support, senior analyst support and hardware/software field engineering support at four government-owned Simulation Test Facilities (STF).  Awarded in October 1995.
24. Weapons Systems Software Activity (WSSA)	Professional Services — Cost Plus Fixed Fee	\$89M 5 yrs.	EER Systems provides the NAWCWPNS China Lake site with technical support services for computer systems embedded within naval tactical aircraft, airborne weapons systems and related support and training equipment.  Awarded in February 1996.
25. New Technologies for Office and Portable Systems (NTOPS)	Hardware/Software — Firm Fixed Price	\$206M 2 yrs.	Concept Automation and Cordant fulfill department-wide requirements for portable and desktop systems, a wide range of peripherals and options, applications software and local area network interfaces to augment purchasing from the Air Force Desktop contracts.  Awarded in April 1996.
26. Business and Administrative Support Services (BASS)	Professional Services — Cost Plus Award Fee	\$61M 5 yrs.	Boeing Information Systems fulfills NAWCWPNS' requirements for office automation and process streamlining, including financial work, procurement assistance, human resources, property management and resource analysis and forecasting.  Awarded in May 1996.

Source: INPUT

## Issues at the Navy

1. The Department of the Navy, primarily through the Naval Information Systems Management Center (NISMC), is making full use of the simplified regulations governing the purchase of commercial products and services under the Information Technology Management Reform Act of 1996. Earlier this year, the Navy opted for blanket purchase agreements (BPAs) to fulfill department-wide requirements for tactical workstations, servers and peripherals in what was to be the fifth generation of the Tactical Advanced Computers (TAC) program currently held by Hewlett-Packard. By using existing procurement vehicles such as GSA schedules, the move away from the anticipated \$655 million IDIQ buy led to significant time and cost savings for NISMC and all Navy end users.

More recently, NISMC pulled back its planned \$850 million IDIQ acquisition for professional and network services and recast it into yet another multiple BPA buy. The Information Technologies Support Services (ITSS) program will now be open only to vendors offering integration services under a GSA Group 70 schedule — in effect shutting out many previous contenders such as Computer Sciences Corporation and Lockheed Martin. While the Navy's recent buying practices have been said to limit competition, they have also allowed the agency to consolidate its IT requirements and obtain substantial discounts on products and services — even over schedule prices. Awards of the five-year ITSS BPAs are anticipated in late February or March of 1997.



Continuing the Navy's procurement reform, Deputy Assistant Secretary of the Navy for C4I and Acting Chief Information Officer Dr. Marvin Langston recently announced plans to conduct a pilot information technology outsourcing program in the Navy Pacific Fleet. While few details have been released, the ambitious outsourcing pilot will encompass both commercial products and services and is expected to save the Navy up to 20% of its current IT budget.

2. Without a significant level of discussion or media attention, the Pentagon has unveiled yet another proposal to streamline its activities. Being targeted by this latest round of proposed cuts are DoD's laboratories and test and evaluation (T&E) centers nationwide, with 20% of all current operations slated for potential closure. The plan, dubbed Vision 21, is mandated under Section 277 of the National Defense Authorization Act for Fiscal Year 1996.

One of the more highly targeted Department of Defense agencies, the Navy faces potential closure or consolidation of 38 laboratories and 18 T&E centers by the year 2005 — many of which were not scheduled to close under the ongoing Base Realignment and Closure (BRAC) initiative. Some of the more significant Navy installations up for consideration under Vision 21 include:

- 4 Naval Air Warfare Center laboratories
- 3 Naval Research Labs
- 7 Naval Surface Warfare Center laboratories
- 2 AEGIS program offices and
- 3 Fleet Technical Support Centers

3. The Navy is moving forth with its \$1.6 billion Voice, Video and Data Communications (ViViD) initiative to modernize base-level and universal telecommunications infrastructures within the Navy and other Defense agencies. Formerly known as the Naval

Telecommunications Infrastructure Project (NAVTIP), ViViD promises to provide a mechanism for the integration, upgrade, operation and support of existing voice, video and data networks needed to provide interoperability with the Defense Information Infrastructure (DII).

To accomplish this, the Navy intends to use the 10-year IDIQ contract to acquire commercial off-the-shelf (COTS) telecommunications switching equipment and services, private branch exchanges (PBX) and customer premise equipment (CPE) such as telephones, modems and support equipment. Likely bidders on ViViD include: AT&T/Lucent, Bell Atlantic, GTE, I-NET, SAIC, Harris, EDS and Nortel Federal. INPUT expects an award for ViViD in January 1997.

4. In two recent reports submitted to Congress (AIMD-96-94 and AIMD-96-99), GAO calls into question the integrity of the Navy's inventory tracking systems and the efforts to improve its accounting systems. One report claims that the Department's financial reporting on and management of approximately \$5.7 billion in operating materials and supplies are lacking in accountability and visibility, notably as they pertain to excess materials and supplies. GAO found that 261 Navy vessels and 17 redistribution centers currently hold over \$883 million in excess supplies which, due to the absence of a coordinated and accurate tracking mechanism, are often not used or reported as such. The impetus for improving inventory systems and processes, the report suggests, is to avoid the overstated operation and maintenance budget requests of previous years.

The reports also focus on the Defense Finance and Accounting Service's (DFAS) efforts to reduce the number of Navy accounting systems and implement a department-wide system for general fund operations. DFAS selected the Navy's existing Standard Accounting and Reporting System (STARS) to serve as the agency's



single accounting system. STARS is believed to be the newest, least deficient and most advanced of the Navy's 25 existing systems, but incomplete planning and a lack of field-level training have generated numerous implementation delays and cost overruns.

5. The first integrated Navy and Marine Corps strategic plan for information technology was released this year. Developed with an "enterprise" perspective, the *Department of the Navy Information Technology Strategic Plan 1997-2001* outlines major efforts to realize the Navy and Marine Corps IT vision in light of recent federal procurement regulation reforms. The document highlights 15 goals that encompass this common vision, including:

- Provide a seamless, global and standards-based information infrastructure
- Identify and correct all software systems associated with the year 2000 problem
- Migrate to compliance with the Defense Message System (DMS)
- Use COTS products to shorten the acquisition cycle and reduce costs
- Utilize electronic commerce to minimize acquisition response time and support interoperability
- Implement a performance-based software capability maturity assessment for a continuous improvement process

The strategic plan can be obtained via the Internet at "<http://204.222.128.9/library/str-plan/fy97/index.htm>".

6. A central goal of the Department of the Navy is to implement the Department of Defense Common Operating Environment, notably through the Defense Message System (DMS). DMS is one of four elements in the COE, the others being the Defense Information Infrastructure (DII), the Global Command and Control System (GCCS) and the Global Combat Support System (GCSS). Designed to offer interoperable messaging

systems within the entire Department of Defense on a worldwide basis, DMS is already being implemented through a \$500 million, eight-year contract with Lockheed Martin at the Defense Information Systems Agency. The Navy currently plans to conduct its initial operations test and evaluation (OIT&E) of DMS in January 1997 at three sites — Pearl Harbor, Hawaii, San Diego, California and Quantico, Virginia.

7. As with all federal agencies, the Navy is grappling with the inevitable year 2000 data element problem. In January 1996, NISMC was assigned the role of central coordinator and information clearinghouse for the year 2000 problem, but the agency has taken few concrete steps to correct the problem. Currently, NISMC is still in the process of developing a strategy of corrective actions and an accurate cost estimate through the compilation of year 2000 survey results. Even with a strategy in place, a key constraint will continue to be the Navy's lack of central funding for the effort. The Navy and other military departments face the additional hurdle of maintaining interoperability among information systems and hence in code transformation. The Navy coordinator for the year 2000 problem is Margaret Powell at (703) 602-6906.

8. As a result of the 1995 Base Realignment and Closure Commission report, the Space and Naval Warfare Systems Command (SPAWAR) is continuing its headquarters relocation from Washington, DC to San Diego, California. One of six acquisition commands within the Navy, SPAWAR is responsible for the design, acquisition and support of systems that process and analyze complex information for the Navy's military and civilian components. The move, affecting many of the Command's 5,000 employees, is currently scheduled for completion by October of 1997. Other central SPAWAR locations include Charleston, South Carolina and the Chesapeake area of Virginia.

9. In October of 1996, the Navy released a new version of its Navy Internet Kit (NIK). While many enhancements and upgrades were made, the replacement of the Mosaic World Wide Web browser with Microsoft Corporation's Internet Explorer is perhaps the most significant. Available for electronic distribution to all Navy military and civilian personnel, the new licensing agreement is expected to cut into Netscape Communications Corporation's long-standing domination of the Defense Department market. Navy officials have stressed, however, that Internet Explorer has not been chosen as a standard and is not mandatory.

### **On-Line Information Resources**

While the Department of the Navy does not offer an official World Wide Web home page, the agency does maintain NavyOnLine — a central, searchable repository of all Navy and Navy-related Internet resources. Accessible at "<http://www.navy.mil>", NavyOnLine provides links to Navy commands and secretariat offices, public affairs information and sites by subject matter.

For business opportunities with the Navy, individual command home pages must be accessed, which requires a fair amount of searching. A good place to start for information technology procurements is the NISMC home page, directly accessible at "<http://204.222.128.9>". In addition to postings of department-wide RFPs and source selections in progress, this site offers numerous IT resources such as the Navy IT budget and major IRM publications. ITEC Direct, the Navy's electronic catalogue of commercial IT products and services, is also available on the NISMC home page or directly at "<http://204.254.216.31>".

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<sup>†</sup> Confirmation of CIO position expected in January 1997

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This Agency Profile is issued as part of INPUT's Federal IT Market Analysis Program. If you have questions or comments on this profile, please call your local INPUT organization or Marco de Vries at INPUT, 1921 Gallows Road, Suite 250, Vienna, VA 22182-3900. Tel. (703) 847-6870.



# Agency Profile

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## Department of Education

### Purpose

The Department of Education establishes policy for, administers and coordinates federal assistance programs that support the educational development of the nation.

### Organization

The Department of Education was created by the Department of Education Organization Act of 1979 (20 U.S.C. 3411).

The Department is headed by the Secretary of Education, appointed by the President with the advice and consent of the Senate, who is aided by the Deputy Secretary, the Under Secretary, Inspector General, General Counsel and the Chief Financial Officer. Additional assistance and consultation are provided by eight Assistant Secretaries and several Directors, who are collectively responsible for the agency's staff and program offices.

The functions of the Department of Education are carried out at its Washington, DC headquarters and 10 regional headquarters which serve the nation's state and local educational systems. Each region is headed by a Regional Representative who has oversight of the activities within the respective district and reports directly to the

Secretary of Education. The agency's regional headquarter locations are presented in Exhibit 1.

Exhibit 1

#### Education Regional Offices

Region I	Boston, Massachusetts
Region II	New York, New York
Region III	Philadelphia, Pennsylvania
Region IV	Atlanta, Georgia
Region V	Chicago, Illinois
Region VI	Dallas, Texas
Region VII	Kansas City, Missouri
Region VIII	Denver, Colorado
Region IX	San Francisco, California
Region X	Seattle, Washington

*Source: Department of Education*

The Department of Education is currently headed by Secretary Richard W. Riley and employs approximately 4,750 people nationwide, a 6% reduction from approximately 5,050 people at this time last year. Slightly more than 68% of the agency's employees are located in the Washington, DC area.

The organizational structure of the Department of Education is presented in Exhibit 2.



## Exhibit 2

**Department of Education Organization**

Secretary of Education

Deputy Secretary

Under Secretary

**Staff Offices:**

- Office of Inspector General
- Office of General Counsel
- Office of Public Affairs
- Office of Legislation and Congressional Affairs
- Office of Intergovernmental and Interagency Affairs
- Office of the Chief Financial Officer
- Office of Management

**Program Offices:**

- Office of Elementary and Secondary Education
- Office of Postsecondary Education
- Office of Special Education and Rehabilitative Services
- Office of Bilingual Education and Minority Languages Affairs
- Office of Vocational and Adult Education
- Office of Educational Research and Improvement
- Office for Civil Rights

**Federally Aided Corporations:**

- American Printing House for the Blind
- Gallaudet University
- Howard University
- National Institute for Literacy
- National Technical Institute for the Deaf

*Source: U.S. Government Manual, 1996***Program Activities**

Below are the primary functions of the Department of Education, including five corporations supported in part by funds appropriated in the agency's budget:

*a. Bilingual Education*

The Office of Bilingual Education and Minority Languages Affairs administers programs designed to fund assistance activities for students with limited English

proficiency. The Office administers various grant programs under the Immigrant Education Program, and it administers contracts for research and evaluation, technical assistance and clearinghouse activities to meet special educational needs.

*b. Civil Rights*

The Assistant Secretary for Civil Rights is responsible for ensuring that institutional recipients of federal financial assistance do not discriminate against American students, faculty or other individuals on the basis of race, color, national origin, sex, handicap or age.

*c. Elementary and Secondary Education*

The Assistant Secretary for Elementary and Secondary Education formulates policy for, directs and coordinates the Department's activities relating to preschool, elementary and secondary education. Included are grants and contracts to state educational agencies and local school districts, postsecondary schools and nonprofit organizations for state and local reform; compensatory, migrant and Indian education; drug-free schools; other school improvement programs; and impact aid.

*d. Educational Research and Improvement*

The Assistant Secretary for Educational Research and Improvement provides national guidance in expanding fundamental knowledge and improving the quality of education. This Office is responsible for conducting and supporting education-related research activities; monitoring the state of education through the collection and analysis of statistical data; promoting the use and application of research and development to improve instructional practices in the classroom; and disseminating these findings to provide technical assistance for specific problems at school sites.

*e. Vocational and Adult Education*

The Assistant Secretary for Vocational and Adult Education administers grant, contract and technical assistance programs for vocational-technical education and for adult education and literacy. The Office is also responsible for coordinating these programs with other Education Department and federal programs that support services and research for adult education, literacy and occupational training.

*f. Special Education and Rehabilitative Services*

The Assistant Secretary for Special Education and Rehabilitative Services is responsible for special education programs and services expressly designed to meet the needs of children with disabilities. Programs include support for training of teachers and other professional personnel, grants for research, financial aid to help states improve their resources and media services for hearing-impaired persons.

*g. Postsecondary Education*

The Assistant Secretary for Postsecondary Education formulates policy and coordinates programs for assistance to postsecondary educational institutions and students pursuing a postsecondary education. Programs include student financial assistance, grants to improve and expand American educational resources for international studies and services, grants to improve instruction in crucial academic subjects and construction assistance for academic facilities.

*h. American Printing House for the Blind*

The American Printing House for the Blind, located in Louisville, Kentucky, was incorporated by the Kentucky Legislature in 1858 to assist in the education of the blind by distributing Braille books, talking books and educational aids without cost to educational institutions educating blind children.

*i. Gallaudet University*

Gallaudet University, located in Washington, DC, was established in 1986 to provide a liberal higher education for deaf persons who need special facilities to compensate for their loss of hearing. In addition to its undergraduate program, the University operates a graduate program at the master's level to prepare teachers and other professional personnel to work with persons who are deaf, a research program focusing on problems related to deafness and continuing education for deaf adults.

*j. Howard University*

Howard University was established by Act of March 2, 1867 in Washington, DC as a comprehensive university organization offering instruction in 17 schools and colleges. The University, jointly supported by congressional appropriations and private funds, is coeducational and admits students of every race, creed, color and national origin, but it accepts and discharges a special responsibility for the admission and training of black students.

*k. National Institute for Literacy*

The National Institute for Literacy, located in Washington, DC, is administered under an interagency agreement among the Secretaries of Education, Labor and Health and Human Services. The Institute's purpose is to reduce and potentially eradicate illiteracy by creating a national network and serving as a focal point for the coordination and dissemination of information.

*l. National Technical Institute for the Deaf*

Located in Rochester, New York, the National Technical Institute for the Deaf (NTID) was established by Act of June 8, 1965. Funded primarily through the Department of Education, it is an integral part of a larger institution known as the Rochester Institute of Technology (RIT). The presence of NTID at RIT is the first effort to educate large numbers of deaf students within a college campus planned primarily for hearing students.



## Program Budget

Federal funding for the Department of Education is anticipated to decline 7% from 1995 to 1997. This downward trend is largely driven by the massive decrease in funding for the largest beneficiary of the Department's funds — Postsecondary Education — the account for which is expected to shrink 23% from over \$14 billion in 1995 to just over \$11 billion in 1997. This decrease is primarily attributable to recent modifications in the management and administration of the Federal Direct Student Loan Program and the Federal Family Education Loan Program. While federal loan expenses are declining, total loan availability to students is anticipated to increase 19% from \$27 billion in 1995 to over \$32 billion in 1997.

Program funding for a majority of the remaining Department of Education accounts is anticipated to increase from 1995 to 1997, notably for Educational Research and Improvement — expected to grow 59% during this time period. The program budget for the Department of Education is presented in Exhibit 3. These figures represent gross funds and do not account for offsetting collections or changes in orders on hand from federal sources, where applicable.

## Information Technology Budget

The Department of Education is anticipated to increase spending on information technology (IT) steadily over the next five years — at a compound annual growth rate (CAGR) of 13%. With the exception of personnel and leases of equipment and software, the agency will likely demonstrate strong growth from 1996 to 2001 in funding for equipment, software and notably support services. The latter is expected to grow 14% annually from \$268 million to \$509 million during this time period. Comprising 87% of the total IT budget in 1996 and expected to comprise 92% of the total IT budget in 2001, growth in support services is the driving force behind the overall increase in IT spending at the Department of Education.

Also of note is the contracted out portion of the information technology budget. In 1996, 94%, or \$289 million of the Department's IT requirements was acquired from vendors. This figure is anticipated to increase to 97%, or \$540 million in 2001 — a growing share of a growing budget. The information technology budget of the Department of Education is provided in Exhibit 4. Figures are rounded to the nearest million and may account for subtotal discrepancies.



Exhibit 3

## Program Budget of the Department of Education

Program Accounts	FY 1995 (actual)	FY 1996 (estimate)	FY 1997 (estimate)
<b>Vocational and Adult Education</b>	<b>\$1,391</b>	<b>\$1,389</b>	<b>\$1,420</b>
<b>Bilingual Education and Minority Languages Affairs</b>	<b>207</b>	<b>207</b>	<b>262</b>
<b>Elementary and Secondary Education</b>	<b>9,812</b>	<b>10,059</b>	<b>10,473</b>
Education Reform	494	671	691
Education for the Disadvantaged	7,201	7,328	7,679
School Improvement Programs	1,322	1,319	1,404
Indian Education	81	81	82
<b>Special Education and Rehabilitative Services</b>	<b>5,778</b>	<b>5,915</b>	<b>6,195</b>
Special Education	3,253	3,342	3,553
Rehabilitation Services and Disability Research	2,395	2,444	2,513
American Printing House for the Blind	7	6	6
National Technical Institute for the Deaf	43	43	43
Gallaudet University	80	80	80
<b>Postsecondary Education</b>	<b>14,383</b>	<b>11,999</b>	<b>11,083</b>
Student Financial Assistance	7,586	7,133	7,359
Higher Education	919	771	973
Howard University	205	187	196
College Housing Loans	50	49	46
Federal Direct Student Loan Program	1,105	582	544
Federal Family Education Loan Program	3,481	3,012	1,965
<b>Educational Research and Improvement</b>	<b>468</b>	<b>460</b>	<b>745</b>
Education Research, Statistics and Improvement	324	342	635
Libraries	144	118	110
<b>Departmental Management</b>	<b>443</b>	<b>409</b>	<b>445</b>
Program Administration	355	327	355
Inspector General	30	28	30
Civil Rights	58	54	60

All figures in \$ Millions

Source: Budget of the United States Government FY1997, February 5, 1996

Exhibit 4

## Information Technology Budget of the Department of Education

Category	1996	1997	1998	1999	2000	2001	CAGR 1996- 2001
<b>Equipment:</b>							
Capital Purchases	\$6	\$9	\$9	\$10	\$10	\$11	12%
Other Purchases and Leases	0	0	0	0	0	0	-%
<b>Total Equipment</b>	<b>6</b>	<b>9</b>	<b>9</b>	<b>10</b>	<b>10</b>	<b>11</b>	<b>12%</b>
<b>Software:</b>							
Capital Purchases	1	1	1	1	2	2	11%
Other Purchases and Leases	0	0	0	0	0	0	-%
<b>Total Software</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>1</b>	<b>2</b>	<b>2</b>	<b>11%</b>
<b>Services (Processing and Telecom.)</b>	<b>13</b>	<b>14</b>	<b>15</b>	<b>16</b>	<b>17</b>	<b>18</b>	<b>6%</b>
<b>Support Services</b>	<b>268</b>	<b>354</b>	<b>383</b>	<b>417</b>	<b>459</b>	<b>509</b>	<b>14%</b>
<b>Supplies</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>2</b>	<b>3%</b>
<b>Personnel</b>	<b>17</b>	<b>18</b>	<b>17</b>	<b>16</b>	<b>15</b>	<b>13</b>	<b>-5%</b>
<b>Contracted Out Portion of IT Budget</b>	<b>289</b>	<b>379</b>	<b>408</b>	<b>444</b>	<b>487</b>	<b>540</b>	<b>13%</b>
<b>Total IT Budget</b>	<b>308</b>	<b>399</b>	<b>427</b>	<b>462</b>	<b>504</b>	<b>555</b>	<b>13%</b>

All figures in \$ Millions

Source: Department of Education and INPUT

## IT Contract Opportunities

The major Department of Education acquisitions summarized below are currently active:

*a. Facilities Management*

Type: Firm Fixed Price

The Department of Education has a continuing need for data processing, telecommunications, database management, conversion and other services to support both program and administrative functions.

*b. Guaranteed Student Loan/Perkins Data Services (GSL)*

Type: TDB

The Department will be recompeting an existing contract to perform data entry and operation and maintenance of Guaranteed

Student Loan (GSL) Program databases and collection support systems, as well as collection support for the Perkins Loan Program. All work will be done at contractor-owned facilities (COCO).

*c. Pell Grant Recipient and Financial Management System (PGRFMS)*

Type: Firm Fixed Price, IDIQ

The Office of Postsecondary Education intends to acquire development, operations and maintenance services for a new processing system to replace the existing Pell Grant Recipient and Financial Management System (PGRFMS). The requirement also calls for all necessary personnel, hardware and software to support the replacement system.

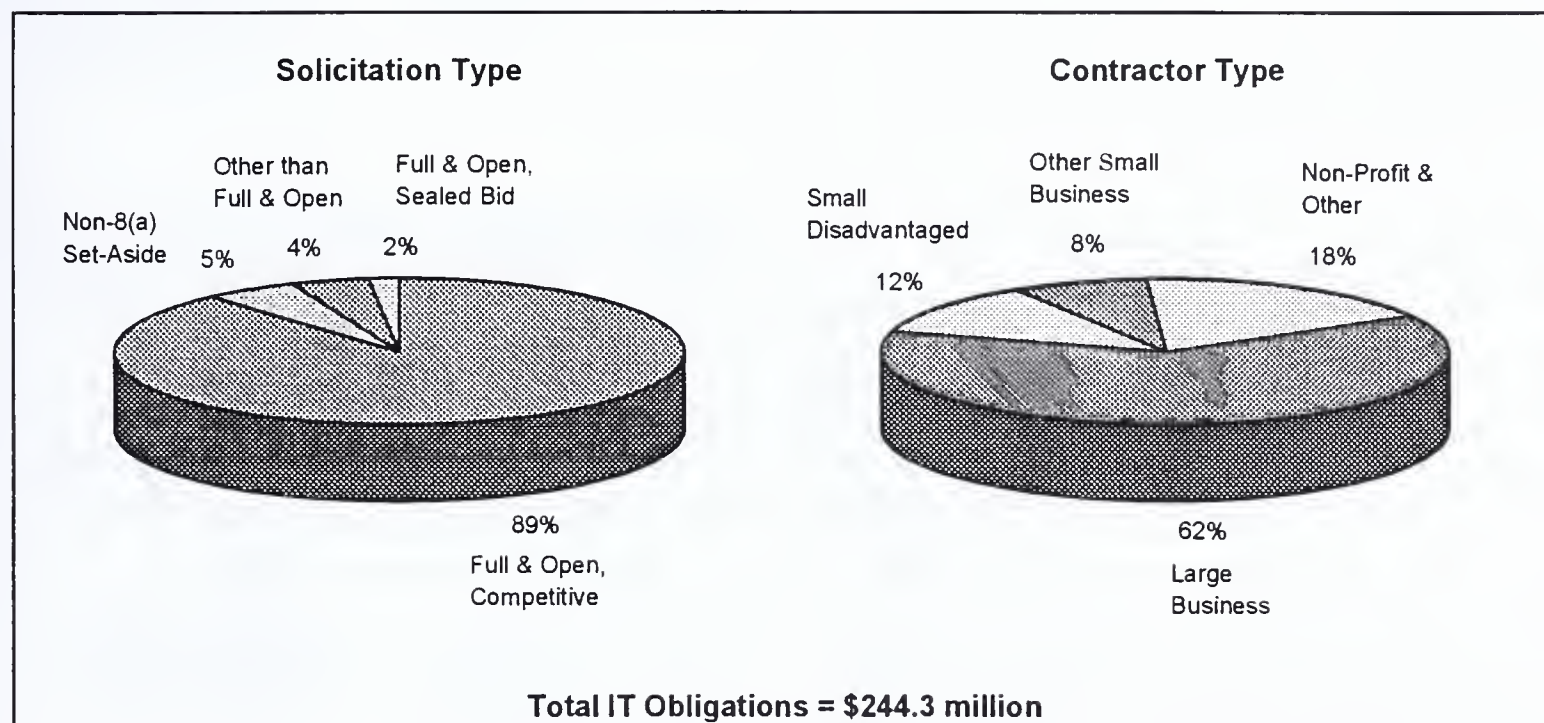
## Education Acquisition Profile

Exhibit 5 provides a graphical summary of the procurement vehicles used by the Department of Education to acquire its IT products and services, as well as the type of contractor providing them. These figures reflect shares of the total information technology contract dollars obligated by the agency from 4QFY 1995 to 3QFY 1996.

Other than full and open competition encompasses various solicitation vehicles, including 8(a) set-asides, limited competition, as well as negotiated and alternate source purchases. Non-profit and educational organizations, as well as state and local governments comprise the "non-profit and other" contractor component.

Exhibit 5

### Acquisition Profile for the Department of Education 4QFY 1995 - 3QFY 1996



Source: FPDC and INPUT



## Top Contractors and Obligations by State

A list of the top IT contractors with the Department of Education is provided in Exhibit 6. Exhibit 7 lists the top 20 states of performance for the agency's IT obligations. Contract obligations are the government's intent to purchase, and while not necessarily spent, they do reflect actual spending trends. Contract actions performed in Washington, DC, Maryland and Virginia comprised 56% of Education's total IT obligations from 4QFY 1995 to 3QFY 1996. This data is based on obligations reported to the Federal Procurement Data Center (FPDC) at GSA for contract actions dated between July 1, 1995 and June 30, 1996.

### Exhibit 6

#### Top Contractors at Education 4QFY 1995 - 3QFY 1996

1. Computer Data Systems, Inc.
2. National Computer Systems
3. E-Systems, Inc.
4. Electronic Data Systems Corporation
5. Concept Automation, Inc.
6. I-NET
7. Government Micro Resources
8. WESTAT, Inc.
9. Lockheed Martin Corporation
10. MPR Associates, Inc.

Source: FPDC

### Exhibit 7

#### Top Department of Education Obligations by State 4QFY 1995 - 3QFY 1996

State	IT Obligations	State	IT Obligations
1. Maryland	\$67,984	11. New Jersey	\$1,474
2. Virginia	\$50,021	12. Pennsylvania	\$1,341
3. Iowa	\$47,199	13. Oregon	\$920
4. Texas	\$31,591	14. Ohio	\$806
5. Washington, DC	\$17,883	15. Illinois	\$610
6. California	\$7,325	16. Hawaii	\$512
7. Missouri	\$5,460	17. Florida	\$455
8. North Carolina	\$2,553	18. Wisconsin	\$439
9. Massachusetts	\$2,253	19. Arizona	\$417
10. New York	\$1,719	20. Oklahoma	\$398

All figures in \$ Thousands

Source: FPDC and INPUT

## Major Contracts

Exhibit 8 provides a brief overview of the major active IT contracts at the Department of Education. Currently, the agency has six major indefinite delivery/indefinite quantity (IDIQ) contract vehicles in place, which have a potential combined life-time value of \$406 million. INPUT speculates increased use of

agency and interagency IDIQ contracts in response to the simplification of regulations governing the purchase of commercial items. This information is taken from INPUT's IMPACT database of active and awarded IT programs.

Exhibit 8

### Major Contracts at the Department of Education

<u>Program</u>	<u>Type</u>	<u>Size</u>	<u>Description</u>
1. Guaranteed Student Loan/Perkins Loan Support Services (GSL)	Professional Services — Firm Fixed Price	\$40M 8 yrs.	E-Systems provides data entry and database and computer system support for the Guaranteed Student Loan (GSL) Program and the collection portion of the Perkins Loan Program. Computer systems support the Student Loan Processing Center, the National Payment Center and the Customer Service Center. Awarded in April 1992.
2. Pell Grant Recipient and Financial Management System (PGRFMS)	Professional Services — IDIQ	\$20M 5 yrs.	PRC provides project management, software operation and maintenance, systems development and training for the Office of Postsecondary Education's Pell Grant Program. Awarded in September 1992.
3. National Student Loan Data System (NSLDS)	Professional Services — Unk.	\$38M 5 yrs.	E-Systems develops and maintains a nationwide database for tracking student loans made, insured and guaranteed under provisions in Title IV of the Higher Education Act. Awarded in January 1993.
4. Federal Direct Student Loan Program System (FDSLDS)	Professional Services — Firm Fixed Price	\$376M 7 yrs.	CDSI develops and maintains a contractor-owned, contractor-operated (COCO) computer facility for tracking and managing the postsecondary student loans made under the Federal Direct Student Loan Program. Awarded in December 1993.
5. Facilities Management	Professional Services — Firm Fixed Price	\$12M 5 yrs.	Lockheed Martin provides data processing, telecommunications, database management, conversion and other services to support both program and administrative functions throughout the Department of Education. Awarded in June 1994.
6. Educational Resources Information Center Facility Contract (ERIC)	Professional Services — Time & Material	\$52M 5 yrs.	Computer Sciences Corporation operates and maintains the Educational Resources Information Center (ERIC) facility, a national clearinghouse for educational information directed by the Office of Educational Research and Improvement. Awarded in June 1994.

## Major Contracts at the Department of Education (cont.)

<u>Program</u>	<u>Type</u>	<u>Size</u>	<u>Description</u>
7. Office Automation Support Services	Professional Services — IDIQ	\$27M 5 yrs.	<p>Concept Automation provides office automation support services and hardware maintenance for the Department of Education's microcomputers, minicomputers and LANs.</p> <p>Awarded in August 1994.</p>
8. Computer Support Services	Professional Services — IDIQ	\$26M 5 yrs.	<p>Computer Business Methods, Pinkerton Computer Consultants and Computer Sciences Corporation provide software development and programming, systems analysis and design and other professional services on a task order basis.</p> <p>Awarded in February 1995.</p>
9. Title IV Network (GES)	Network Services — IDIQ	\$43M 7 yrs.	<p>National Computer Systems provides telecommunications capabilities and support for the General Electronic Support (GES) System, the Office of Postsecondary Education's system for data transfer between Title IV contractors, federal agencies and the postsecondary student financial aid community.</p> <p>Awarded in July 1995.</p>
10. Federal Direct Student Loan Origination Subsystem	Professional Services — Firm Fixed Price	\$150M 6 yrs.	<p>EDS provides services, hardware, software and personnel to develop and operate a system for originating Federal Direct Student Loans to students at participating institutions.</p> <p>Awarded in July 1995.</p>
11. Multiple Data Entry Services (MDE)	Professional Services — IDIQ	\$150M 7 yrs.	<p>National Computer Systems provides continued support for the agency's Multiple Data Entry (MDE) systems, designed to support the Title IV Student Aid Programs by performing document analysis, electronic document imaging, data entry and data transmission.</p> <p>Awarded in August 1995.</p>
12. Central Processing System (CPS)	Professional Services — IDIQ	\$140M 7 yrs.	<p>National Computer Systems provides ongoing operations and maintenance of the Central Processing System (CPS), designed to support the Title IV Student Aid Programs by performing administrative and training functions.</p> <p>Awarded in September 1995.</p>
13. Campus-Based Maintenance (CBM)	Professional Services — Firm Fixed Price	\$5M 5 yrs.	<p>Universal Automation Leasing provides the Department of Education with computing and related services for maintenance and development of campus-based programs of student aid.</p> <p>Awarded in September 1996.</p>

Source: INPUT



## Issues at Education

1. The Department of Education's Office of Postsecondary Education is moving forth with its Pell Grant Recipient and Financial Management System (PGRFMS) acquisition. The \$30 million IDIQ contract calls for the development, operations and maintenance of a new financial management and transaction processing system to support the Department's Pell Grant Program of student financial aid. While incumbent PRC has been developing such a system since September 1992, the current requirement calls for a new computer information system and the modification of established operational systems to meet new objectives, legislation and regulatory requirements.

Potential bidders on the PGRFMS program include National Computer Systems, PRC, Lockheed Martin, CDSI and E-Systems. Bids were due on August 5, 1996 and an award date is tentatively scheduled for January 30, 1997.

2. According to its own recently updated Five Year Information Resources Management Tactical Plan, the Department of Education is only now beginning to view its program responsibilities and the resultant technical infrastructure as an integrated whole. While the departmental local area network (EDNET) has been in place since the mid-1980s, users were only able to access mainframe data centers. EDNET was expanded in 1993 and 1994 to offer interconnectivity and office automation to all headquarter offices, but information systems remained stovepiped until late this year.

In October 1996, Education began to implement the Central Automated Processing System (CAPS), a nationwide initiative to replace a number of incompatible systems for accounting, grants and contract management. The integrated suite of commercial and proprietary applications will be required to support the Department's 4,750 employees and

approximately 9.9 million applicants for and recipients of more than \$32 billion in federal educational grants.

To capitalize on this and other investments, the Department has established five IRM objectives for the future:

- Equip all employees (headquarters and regional) with a networked desktop workstation and automated productivity tools
- Interconnect all workstations through EDNET
- Use commercial-off-the-shelf (COTS) products based on OSI standards, including GOSIP and POSIX as they become available
- Move toward advanced communications services by introducing TCP/IP protocols on the EDNET and establishing connectivity from EDNET to the Internet
- Use the Internet to provide greater access to Education's research and program information, notably within schools and libraries

The Five Year Information Resources Management Tactical Plan is currently being posted on the Internet at "<http://www.ed.gov/IRM/5YearPlan>".

3. The Telecommunications Act of 1996 (S.652, PL 104-104) is expected to have a major impact on the Department of Education's efforts to increase Internet access in schools and libraries throughout the nation. The agency's goal — to have every classroom and library connected to the Internet by the year 2000 — will likely be hastened by the Act's promotion of competition and reduction of regulations in the telecommunications industry. While many doubt whether the goal is attainable even under the legal principle of universal access, the National Center for Education Statistics points out that Internet access in the classroom tripled in just one year, from 3% in 1994 to 9% in 1995. Other questions that remain include the current demographics of those districts with Internet access: the increase in access has

largely not found its way into the impoverished school districts that need it most.

4. In a recent report (HEHS-96-143), GAO reviewed the Department of Education's actions aimed at improving the administration of student financial aid programs under Title IV of the Higher Education Act of 1965, particularly the Federal Family Education Loan Program and the Federal Pell Grant Program. In response to a long history of fraud and abuse, the Senate's Permanent Subcommittee on Investigations, the Department's Office of the Inspector General and the General Accounting Office reviewed these programs between 1991 and 1995 and collectively made 205 recommendations to eradicate program administration inadequacies.

According to the report, Education has responded or intends to respond to 186 of the 205 recommendations, having resulted in major recent changes. Three key improvements include:

- Stronger eligibility and certification procedures to ensure that the Department does not allow unscrupulous schools to participate in the student aid programs
- Implementation of financial integrity measures, such as requiring lenders in the student aid programs to have an annual compliance audit by a nonfederal organization
- Implementation of the National Student Loan Data System (NSLDS) to track student loans made, insured and guaranteed, as well as to review alleged defaulters receiving subsequent loans

While only 19 recommendations will not be acted upon by the agency for various reasons, GAO points out that this could allow significant program flaws to continue.

## **On-Line Information Resources**

The Department of Education maintains a World Wide Web home page accessible at "<http://www.ed.gov>". Primarily a public relations site, information is available on departmental programs, publications, organization and news. In addition to public affairs information, a link is provided at "<http://www.ed.gov/Technology>" offering executive overviews of Education's national, state and local information technology initiatives in schools and libraries.

For business opportunities, the Department of Education maintains a central on-line repository for grant and contract information accessible at "<http://gcs.ed.gov>". Commerce Business Daily notices on current departmental RFPs, forecasts of anticipated contract activity and general information about conducting business with the Department of Education are offered. This information is also available via the agency's electronic bulletin board system (BBS) at (202) 260-9950.

## **Major Points of Contact**

### **Secretary of Education**

Richard W. Riley  
600 Independence Avenue, S.W.  
Washington, DC 20202  
(202) 401-3000

### **Acting Chief Information Officer**

Leo Kornfeld †  
(202) 708-8391

### **Communications Director**

David Frank  
(202) 401-3026

† To resign February 10, 1997. The Department of Education is currently in the process of recruiting for the CIO position.

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This Agency Profile is issued as part of INPUT's Federal IT Market Analysis Program. If you have questions or comments on this profile, please call your local INPUT organization or Marco de Vries at INPUT, 1921 Gallows Road, Suite 250, Vienna, VA 22182-3900. Tel. (703) 847-6870.







# Federal Newsletter

A Publication from INPUT's Federal Procurement Analysis Reports Service

Vol. IV, No. 1

January 1996

## SEWP II: A Model for the Future?

### Researcher's Corner

by *Brian M. Haney*

In the midst of a booming technology market and a growing number of electronic transactions, many people still view the federal government as lagging behind the private sector. The commonly held belief is that the government wastes a huge amount of money conducting paperwork-intensive activities, such as procurements, and that money and time could be saved through the use of electronic commerce.

In an effort to thwart this image, NASA recently streamlined its entire procurement process. Most solicitation documents are now posted on the World Wide Web, and NASA

contracting personnel can all be reached via e-mail. NASA's Scientific and Engineering Workstation Procurement (SEWP II), for example, is not only the product of its successful predecessor—SEWP—it is also a starting block for the virtual government office and Electronic Data Interchange (EDI).

SEWP II promises to acquire, deliver, install, and support 13 classes of high performance workstations compatible with NASA's existing open-system UNIX environment. Though this requirement is much like the original SEWP, perhaps the most significant difference between the two is the mode of acquisition. With SEWP II, NASA is conducting the procurement and managing the contract electronically over the Internet. Solicitation documents will be available only through the SEWP II web site. Furthermore, winning vendors will be required to maintain a page on the World Wide Web for contract support. Once awarded, all order processing, pricing, and reporting under the contracts must be conducted using electronic data interchange (EDI).

Hoping to repeat the success of the original SEWP as an interagency contract vehicle, the General Services Administration (GSA) has thrown its support behind the SEWP II acquisition as well.

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Under the original \$825 million SEWP contract, GSA granted NASA and nine other agencies the ability to purchase 20,000 models of high-end workstations for an open-system UNIX network. Labeled a Government-Wide Acquisition Contract (GWAC), GSA held the interagency buying threshold to 10% of its \$825 million value. Under the SEWP II contract, GSA has raised the interagency purchasing threshold to 20%.

Following in the footsteps of SEWP, SEWP II should prove to be another successful venture for NASA. Moreover, by soliciting and acquiring the SEWP II requirements electronically, NASA hopes to build on the success of SEWP and develop an acquisition methodology that will benefit the government and commercial sector.

With the doubling of the interagency purchasing threshold, civilian agencies and contractors alike should share in NASA's success. At least nine agencies are expected to buy off the contracts. And for its awardees, SEWP II will provide an excellent vehicle for them to market their products to numerous civilian agencies.

The Final RFP for SEWP II is scheduled for release on December 29, 1995 with bids due in February 1996. INPUT anticipates an award in 4QFY96.

## INPUT Notes

### Federal Wireless Technology Market 1995-2000

INPUT has released its latest Market Analysis Report which takes an in-depth look at the *Federal Wireless Technology Market, 1995-2000*. Vendors will gain insight into important issues such as:

- Present and planned use of wireless technology in the federal government,
- Present and future means by which wireless services and products will be obtained,
- Existing and developing wireless communications requirements, and
- Perceived benefits and liabilities to the use of wireless technologies.

If your organization is interested in taking advantage of this valuable resource, please contact INPUT's Richard Perrotti at 703-847-6870.

## Reports and Profiles

Federal Wireless Technology Market 1995-2000

### 1996 Reports In Development

Federal Systems Integration Market

Federal Imaging Market

Federal Financial Management Systems Market

Federal Professional Services Market

Federal Telecommunications Market



## 1996 Agency Profiles

USAID, EOP .....	January
USCS, USSS.....	February
VA, DOE.....	March

### Available Agency Profiles

Navy, February 1994  
 Interior, April 1994  
 Energy, May 1994  
 Air Force, May 1994  
 SSA, September 1994  
 Veterans Affairs, September 1994  
 PHS, October 1994  
 FBI, November 1994  
 State, November 1994  
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 Air Force, September 1995  
 Labor, October 1995  
 SBA, October 1995  
 DFAS, November 1995  
 Navy, November 1995  
 CDC, December 1995  
 FEMA, December 1995

## December Procurement Highlights

### Agriculture

ADP SUPPORT SERVICES VI-05-052

The RFP for ADP Support Services is scheduled for release on December 26, 1995. Bids will be due on February 13, 1996.

### Air Force

ULANA II V-01-156

The Unified Local Area Network Architecture II award to TRW is still under protest. The Contracting Office expects a resolution by March 1996.

IC4I V-01-204

An award for the Integration Command, Control, Communications Computers Intelligence procurement was made to BTG and Cordant on December 1, 1995. Industry sources speculate SRA protested the award to Cordant on technical and evaluation merits.

BLSM II V-01-206

The RFP for Phase II of Base Level System Modernization was released on December 11, 1995. Bids will be due on January 11, 1996.

AIR FORCE WORSTATIONS V-01-214

An award for the Air Force Workstations opportunity is anticipated on January 26, 1996.

TDC

V-01-232

A Draft RFP for the Theater Deployable Communications procurement was released on December 7, 1995 with comments due on January 1, 1996. The Final RFP is expected on January 22, 1996.

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**Commerce**

PTO DT

VI-06-073

Bids for the Patent and Trademark Office Desktop contract will be due on January 11, 1996. An award is expected in April 1996.

AWIPS APPLICATION SUPPORT VI-06-076

An RFP for the AWIPS Application Support contract is expected in January 1996.

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**Congress**

IRM SW IMPROVEMENT

VIII-37-003

An award for the IRM Software Improvement Program is scheduled for early January 1996.

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**HHS**

FEDCAC 108

VII-08-105

A Draft RFP for CERTAN - Corporate Computing Systems for the National Institutes of Health was released on November 29, 1995 with comments due December 7, 1995. The Final RFP is anticipated late January 1996.

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**Justice**

MEGA I

VII-10-124

A Draft RFP for the MEGA I procurement is expected in late December 1995.

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**NASA**

SEWP II

VIII-15-169

A fourth RFC for the Scientific and Engineering Workstation Procurement II contract was released on December 6, 1995. The Final RFP is scheduled for release on December 29, 1995 with bids due February 15, 1996.

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**Navy**

NTOPS

V-03-169

An award for the New Technologies for Office and Portable Systems procurement is expected in January 1996.

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**Postal Service**

GOVERNMENT CONNECTION VIII-31-011

The Government Connection Intergovernmental Kiosk Program was awarded to IBM on November 30, 1995, and to Digital, Cordant, and North Communication on October 27, 1995.

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**SEC**

EDGAR

VIII-23-004

An RFP for the Electronic Data Gathering and Retrieval procurement is expected to be released in early January 1996.

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**SSA**

IWS/LAN I

VII-08A-006

An award for Phase I of the IWS/LAN Workstation Acquisition contract is anticipated in 2QFY96.

# Quarterly Subject Index: INPUT Analysis Documents

A subject index of INPUT's documents is provided below. These documents may be previewed by INPUT clients in our Federal Information Center. Please call us at (703) 847-6870 to make an appointment. To place an order for these documents or for pricing information please contact Richard Perrotti at (703) 761-7315.

## INPUT Federal IT Market Analysis Program

Research Bulletin

(RB)

Agency Profile

(AP)

Federal Quarterly Market Reports

(FQR)

## INPUT Federal Procurement Analysis Reports Service

Federal Newsletter

(FN)

### Advanced Software Technology and Algorithms (ASTA)

FQR "Federal High Performance  
Computing 1994-1999" p. III-4-5

### Air Force

BLSM II

FN vol. III, no. 12, 12-95

### ALMRS

AP vol. I, no. 18, 8-95, p. 7

### Balanced Budget

Effect on IT procurements

RB vol. IV, no. 11, 11-95, p. 3

### BLSM II

FN vol. III, no. 12, 12-95

### Board of Contract Appeals

RB vol. IV, no. 6, p.3

### Basic Research and Human Resources (BRHR)

FQR "Federal High Performance  
Computing 1994-1995" p. III-7-8

### Brooks Act

RB vol. IV, no. 8, 7-95, p.1

### Business Process Reengineering

RB vol. IV, no. 1, 2-95, p.1-3

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## **National Research and Education Network (NREN)**

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FQR "Federal Computer Security Market 1995" p. III-20-21

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## **Federal Acquisition Improvement Act**

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FQR "Federal Computer  
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## Transportation

ITOP VII-11-118

The RFP for the Information Technology Omnibus Procurement is scheduled for release in mid-January 1996.

## Treasury

TDA II 8(A) VII-12-122

An award of the Treasury Department Acquisition II contract 8(a) portion is expected on January 15, 1996.

TDPI VII-12-125

A Draft RFP for the Treasury Distributed Processing Infrastructure contract is expected on January 15, 1996. A Final RFP is expected in early March 1996.

# Recent Library Acquisitions

Department: Agriculture  
Document Title: ADP Systems Development and Software Support Serv.  
RFP #: ASCSR10090DC  
Document Type: Contract & Modifications  
INPUT Reference #: 32030.003  
Contractor: IBM  
Contract #: 533151100005

Department: Air Force  
Document Title: Point of Sale Systems  
RFP #: F4199995R0042  
Document Type: RFP  
INPUT Reference #: 02099.10

Department: Air Force  
Document Title: Base Level System Modernization II (BLSM II)  
RFP #: F0162095RA245  
Document Type: RFP (Diskette)  
INPUT Reference #: 02099.08D

Department: Air Force  
Document Title: Technical and Engineering Acquisition Support (TEAS)  
RFP #: F0862695YHK05  
Document Type: DRFP (Diskette)  
INPUT Reference #: 02099.09D

Department: Air Force  
Document Title: ULANA II  
Document Type: Proposal  
INPUT Reference #: 32020.066  
Contractor: EDS  
Contract #: F3460894D0011

Department: Army  
Document Title: Systems Engineering and Technical Assistance (SETAC)  
RFP #: DASG6096R0005  
Document Type: Bidders Mailing List  
INPUT Reference #: 02198

Department: Army  
Document Title: Software Support Services  
Document Type: Contract  
INPUT Reference #: 32021.065  
Contractor: SRA  
Contract #: DAHC9495D0009

Department: Army  
Document Title: Nation-Wide Maintenance  
RFP #: DAHC9494R0005  
Document Type: Contract & Modifications  
INPUT Reference #: 32160.020  
Contractor: UNISYS  
Contract #: DAHC9495D0001

Department: Carroll Publications  
Document Title: Carroll's Military Facilities  
Directory 9-95/2-96  
Document Type: Directory  
INPUT Reference #: 01328.3

Department: Carroll Publishing  
Document Title: State Directory, Executive,  
Legislative, Judicial  
Document Type: Directory  
INPUT Reference #: 01302.02

Department: Commerce  
Document Title: Systems Engineering &  
Technical Support Services  
Document Type: RFP, BML  
INPUT Reference #: 04613

Department: Commerce  
Document Title: Engineering & Technical  
Support Services  
RFP #: 52DGNE000113  
Document Type: Contract & Modifications  
INPUT Reference #: 32043.006  
Contractor: CSC  
Contract #: 50DGNE100112

Department: Defense  
Document Title: DFAS Strategic Plan  
Document Type: IRM Forecast  
INPUT Reference #: 02400.206

Department: Energy  
Document Title: ADP Support Services  
RFP #: DERP0596TE40123  
Document Type: RFP (Diskette)  
INPUT Reference #: 06040D

Department: HHS  
Document Title: CERTAN - Information  
Technology Support Services  
RFP #: N0060096R0373  
Document Type: RFP, BML  
INPUT Reference #: 13130

Department: Justice

Document Title: Information Technology  
Support Services  
RFP #: JVJMD96R0015  
Document Type: Bidders Mailing List  
INPUT Reference #: 16031

Department: Marine Corps  
Document Type: Contract & Modifications  
INPUT Reference #: 32023.003  
Contractor: Logicon, Inc.  
Contract #: M6785492C1352

Department: NASA  
Document Title: Integrated Financial  
Management Project  
RFP #: 550966023  
Document Type: RFC  
INPUT Reference #: 18229D

Department: NASA  
Document Title: NASA Acquisition Forecast  
Fiscal Year 1996  
Document Type: IRM Forecast  
INPUT Reference #: 18000

Department: Navy  
Document Title: Enterprise Software Licenses  
RFP #: N0014096Q0561  
Document Type: RFP  
INPUT Reference #: 02299

Department: Navy  
Document Title: Pay/Personnel Admin.  
Support Services  
RFP #: N6893996R0002  
Document Type: DRFP (Diskette)  
INPUT Reference #: 02298D

Department: Navy  
Document Type: Contract & Modifications  
INPUT Reference #: 32022.095  
Contractor: PRC  
Contract #: N0003995C0001

Department: Transportation  
Document Title: ITOP

RFP #: DTOS5996R00005  
 Document Type: DRFP (Diskette)  
 INPUT Reference #: 24012D

Department: Treasury  
 Document Title: General Purpose ADP  
 Equipment - Mainframe  
 RFP #: CS96007  
 Document Type: DRFP  
 INPUT Reference #: 25210

Department: USPS  
 Document Title: Software Migration  
 RFP #: 10259096A0020  
 Document Type: RFP  
 INPUT Reference #: 21015

Department: Veterans Affairs  
 Document Title: Procurement of Computer  
 Hardware & Software  
 RFP #: 1016095  
 Document Type: DRFP (Diskette)  
 INPUT Reference #: 27025D

## Recent DPAs

### Air Force

11/21/95 KMA-92-0340(A)

For the modification of the DPA on 6/1/92 to acquire support services for the Air Force Logistics Command Program Management Support System (PMSS) project. This letter responds to an APR of 11/6/95.

11/24/95 KAA-96-0007

For the Air Force Base Level System Modernization (BLSM II) project. This letter responds to an APR dated 11/8/95.

### Defense

11/28/95 KMA-92-0052(B)

For the modification of the DPA of 4/15/95 for resources and support for DISA's Systems Engineering and Technical Assistance Contract operations. This letter responds to the APR of 11/1/95.

### Education

11/22/95 KAA-91-0218(A)

For the modification of the DPA on 5/1/91 to acquire Systems Operation, Development, and Conversion/Turnover of the Guarantee Student Loan (GSL)/Perkins Loan System. This letter responds to the APR of 10/5/95.

### Justice

11/22/95 KMA-91-0199(A)

For the modification of the DPA on 8/17/91 to acquire support services for the National



Crime Information Center 2000 project. This letter responds to an APR of 10/31/95.

11/22/95 KMA-92-0073(D)

To provide a revised charter for the Integrated Automated Fingerprint Identification System (IAFIS). For the notification of a new Trail Boss and Deputy Trail Boss.

11/22/95 KMA-93-0025(C)

For the modification of the DPA on 12/29/92 to acquire resources for the Justice Consolidated Office Network project. This letter responds to an APR of 10/25/95.

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## **NASA**

11/1/95 KAA-96-0004

To acquire resources for the GSFC's Scientific and Engineering Workstation Project (SEWP) II. This letter responds to an APR of 10/23/95.

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## **Treasury**

11/9/95 KAA-96-0003

For the acquisition of resources to support the Treasury Distributed Processing Infrastructure (TDPI). The designated Trail Boss is Alan Wiesenthal.

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## **Veterans Affairs**

10/30/95 KAA-95-0225

To acquire Federal resources to support VA Medical Centers, Regional Offices, and all other VA offices nationwide. This letter responds to an APR of 9/27/95.

11/7/95 KAA-96-0002

For exception to the mandatory use of GSA's CLTS, to acquire local telephone resources for several of VA Regional Offices (VARO) nationwide. GSA will complete the review on a location-by-location basis after the Department submits additional information about each location.

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This newsletter is issued as part of INPUT's Federal IMPACT Program. If you have questions or comments on this newsletter, please call your local INPUT organization or Kevin Plexico at INPUT, 1921 Gallows Road, Suite 250, Vienna, VA 22182, (703) 847-6870

# Federal Newsletter

A Publication from INPUT's Federal Procurement Analysis Reports Service

Vol. IV, No. 2

February 1996

## AT&T Protests DISN

### Researcher's Corner

by Payton C. Smith

On December 29, 1995, AT&T filed a protest against the multi-billion dollar Defense Information Systems Network (DISN)-Continental United States (CONUS) procurement (solicitation numbers DCA200-95-R-0129, DCA200-95-R-0137, and DCA200-95-R-0068) with the U.S. General Accounting Office (GAO). AT&T based this protest on the grounds that the Defense Information Systems Agency (DISA), Defense Information Technology Contracting Office (DITCO) has violated procurement law in three areas.

First and most importantly, AT&T accused DISA/DITCO of abusing its discretion, acting

arbitrarily and capriciously, and unduly restricting competition. This allegation centers on the fact that DISA/DITCO refused to consider a single integrated proposal in response to the three DISN-CONUS solicitations.

The three solicitations as they are currently structured have the potential to result in as many as eleven separate contract awards. DISA/DITCO has pursued segmentation in procuring the DISN-CONUS network, a strategy which other telecommunications companies have praised saying it fosters competition in a market dominated by AT&T.

AT&T asserted that a single contractor serving the requirements of all three solicitations under one contract would be the government's lowest cost solution. A single contractor would also be able to provide an optimal technical solution, an efficient, interoperable network, minimal down-time, and maximum end-to-end network security.

DISA/DITCO's response to questions about an integrated DISN-CONUS proposal was that it had "no basis to make any judgment" on the matter. AT&T has seized upon this point as proof that DISA/DITCO acted arbitrarily in refusing to evaluate an integrated proposal. AT&T further argued that by not evaluating an integrated proposal, DISA/DITCO has

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unduly restricted competition by not allowing AT&T to present its best solution to the DISN-CONUS requirements.

Secondly, AT&T asserted that DISA/DITCO had exceeded its minimum needs by structuring the DISN-CONUS procurement based on design specifications rather than functional specifications. The DISN-CONUS procurements specify the types, numbers and locations of bandwidth managers, transmission facilities and video services. According to AT&T, permitting offerors to design their own solutions to the DISN-CONUS functional requirements would satisfy DISA/DITCO's minimum needs and result in a superior technical solution.

Third and lastly, AT&T cited vague requirements and ambiguous specifications in the DISN Switched/Bandwidth Manager Services-CONUS (DS/BMSC) solicitation that require offerors to make unwarranted assumptions that may preclude competition on a relatively equal basis. AT&T specifically pointed to vague requirements for the interface with the government developed, owned and operated integrated DISN database, and ambiguous specifications for certain aspects of contractor payment.

It should be noted, however, that even in the light of this last complaint, AT&T made the January 2, 1996 due date for submitting a proposal for the \$400 million DS/BMSC solicitation.

DISA/DITCO has filed a motion for dismissal which is still pending. The agency is required to deliver a report on the protest by February 2, 1996, 35 days from the protest filing date; however, an extension is expected. A GAO hearing has not been scheduled at this point, but must be held by May 2, 1996, 125 days from the protest filing date. INPUT will continue to closely follow the progress of the AT&T protest as well as the overall DISN-CONUS procurement.

## INPUT Notes

### Upcoming Breakfast

INPUT will be holding a breakfast meeting for its federal program on February 15, 1996 at the Fairview Park Marriott in Falls Church, Virginia. The guest speaker will be Rudy Baca, Legal Advisor to Commissioner James H. Quello of the Federal Communications Commission. He will present his perspectives on telecommunications reform legislation, advances in communications technology—particularly developments in wireless technology—and on overall issues of standards and regulations.

## Reports and Profiles

Federal Wireless Technology Market 1995-2000

### 1996 Reports In Development

Federal Financial Management Systems Market  
Federal Systems Integration Market  
Federal Imaging Market  
Federal Professional Services Market  
Federal Telecommunications Market

### 1996 Agency Profiles

USCS, USSS .....	February
VA, DOE.....	March
FBI, State.....	April



## Available Agency Profiles

SSA, September 1994  
 Veterans Affairs, September 1994  
 PHS, October 1994  
 FBI, November 1994  
 State, November 1994  
 Coast Guard, November 1994  
 Customs Service, December 1994  
 GSA, February 1995  
 HCFA, March 1995  
 Army, March 1995  
 EPA, April 1995  
 Agriculture, April 1995  
 U.S. Postal Service, April 1995  
 IRS, April 1995  
 FAA, May 1995  
 NASA, May 1995  
 NIH, May 1995  
 Commerce, May 1995  
 Justice, May 1995  
 DISA, June 1995  
 Education, June 1995  
 PTO, June 1995  
 OPM, August 1995  
 Interior, August 1995  
 Air Force, September 1995  
 Labor, October 1995  
 SBA, October 1995  
 DFAS, November 1995  
 Navy, November 1995  
 CDC, December 1995  
 FEMA, December 1995  
 USAID, January 1996  
 EOP, January 1996

# January Procurement Highlights

## Air Force

DT V V-01-163

An award for the Desktop V procurement is anticipated in April 1996.

IC4I V-01-204

The award for the Integration Command, Control, Communications Computers Intelligence procurement made to Cordant on December 1, 1995 is under protest. SRA protested the award on technical and evaluation merits.

DT V 8(A) V-01-236

An award for the 8(a) portion of the Desktop V opportunity is scheduled for April 1996.

CMCMSS V-01-245

A Draft RFP for the Cheyenne Mountain Complex Software Support procurement was released on January 16, 1996. Comments are due on February 1, 1996. The Final RFP is scheduled for release on March 5, 1996.

## Army

SHARP V-02-110

The Final RFP for Support Hardware Automation Related Products is scheduled for release in mid February 1996.

**OSCAR II**

V-02-114

An award for Outside Cable Rehabilitation II is expected to be announced in mid February 1996.

V-02-146

An RFP for the PC Based Document Archival and Retrieval opportunity is anticipated in May 1996.

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**GSA**

FWTS

VIII-14-048

Bids for the Federal Wireless Telecommunications Services procurement will be due on March 29, 1996.

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**HHS**

FEDCAC 108

VII-08-105

The Final RFP for CERTAN - Corporate Computing Systems for the National Institutes of Health is anticipated in mid February 1996.

NISS

VII-08-123

The RFP for NIOSH Information Systems Support Services was released on January 12, 1996. Bids will be due on February 23, 1996.

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**Justice**

ITSS

VII-10-034

The Final RFP for Information Technology Support Services is tentatively scheduled for release in early February 1996.

**JCON SI**

VII-10-052

GTE was selected to conduct testing of the Justice Consolidated Office Network System Integration. An award announcement for this opportunity will be made in February 1996.

MEGA I

VII-10-124

A Draft SOW for the MEGA I procurement was released on January 23, 1996.

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**SBA**

SBADPS

VIII-39-002

An RFP for the Small Business Administration Data Processing Services procurement is expected to be released in March 1996.

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**SSA**

VII-08A-011

An RFP for Remote LAN/Access Equipment and Maintenance is scheduled for release in late February 1996. Bids will be due in March 1996.

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**Transportation**

ITOP

VII-11-118

The RFP for the Information Technology Omnibus Procurement was released on January 2, 1996. Bids will be due on February 19, 1996. An award is tentatively scheduled for June 1996.

## US Courts

ILS

VIII-30-005

The RFP for the Integrated Library System opportunity was released on January 3, 1996. Bids will be due on February 16, 1996.

## Recent Library Acquisitions

Department: Air Force  
Document Title: Engineering and Technical Support  
RFP #: F2560096R5003  
Document Type: DRFP, BML  
INPUT Reference #: 02099.11

Department: Air Force  
Document Title: Technical and Engineering Acquisition Support (TEAS)  
RFP #: F0862695YHK05  
Document Type: DRFP (Diskette)  
INPUT Reference #: 02099.09D

Department: Air Force  
Document Title: Base Level System Modernization II (BLSM II)  
RFP #: F0162095RA245  
Document Type: RFP (Diskette)  
INPUT Reference #: 02099.08D

Department: Air Force  
Document Title: Point of Sale Systems  
RFP #: F4199995R0042  
Document Type: RFP  
INPUT Reference #: 02099.10

Department: Army  
Document Title: Information Mission Area Support Services  
RFP #: DAAH0196R0022

Document Type: DRFP  
INPUT Reference #: 02199.01

Department: Army  
Document Title: Development And Enhancement Of Knowledge Based GIs  
RFP #: DACA8796R0002  
Document Type: RFP, BML  
INPUT Reference #: 02199

Department: Army  
Document Title: Information Systems Modernization Program Support  
RFP #: DACW6995R0056  
Document Type: RFP, BML  
INPUT Reference #: 02199.03

Department: Commerce  
Document Title: Systems Eng. and Tech. Support Services (SETSS)  
RFP #: 52DGNW6900001  
Document Type: RFP  
INPUT Reference #: 04315

Department: GAO  
Document Title: Block Grants: Issues in Designing  
Document Type: GAO Report  
INPUT Reference #: AIMD-95-226

Department: GAO  
Document Title: Block Grants: Characteristics  
Document Type: GAO Report  
INPUT Reference #: HEHS-95-74

Department: GAO  
Document Title: Defense Acquisition Organizations: Changes  
Document Type: GAO Report  
INPUT Reference #: NSIAD-96-46

Department: GAO  
Document Title: Superfund: Operations and Maintenance





Document Type: GAO Report  
INPUT Reference #: RCED-95-259

Department: GAO  
Document Title: Federal Employee Redress:  
An Opportunity  
Document Type: GAO Report  
INPUT Reference #: GGD-96-42

Department: GAO  
Document Title: Decennial Census:  
Fundamental Design Decisions  
Document Type: GAO Report  
INPUT Reference #: GGD-96-37

Department: GAO  
Document Title: Battlefield Automation:  
Army's Digital  
Document Type: GAO Report  
INPUT Reference #: NSIAD-96-25

Department: GAO  
Document Title: Earth Science Information  
Network  
Document Type: GAO Report  
INPUT Reference #: NSIAD-96-13

Department: GAO  
Document Title: FDA Import Automation:  
Serious Management  
Document Type: GAO Report  
INPUT Reference #: AIMD-95-188

Department: GAO  
Document Title: Reports and Testimony:  
November 1995  
Document Type: GAO Report  
INPUT Reference #: OPA-96-2

Department: GAO  
Document Title: Federally Funded R&D  
Centers: Use of Contract  
Document Type: GAO Report  
INPUT Reference #: NSIAD-95-174

Department: GAO  
Document Title: Private Attorneys: Selected  
Attorneys' Fee  
Document Type: GAO Report  
INPUT Reference #: GGD-96-18

Department: GAO  
Document Title: National Health Service  
Corps  
Document Type: GAO Report  
INPUT Reference #: HEHS-96-28

Department: GAO  
Document Title: Status of GAO Reviews of the  
Library of Congress  
Document Type: GAO Report  
INPUT Reference #: GGD-96-49

Department: GAO  
Document Title: Land Management Systems:  
Progress and Risks  
Document Type: GAO Report  
INPUT Reference #: AIMD-95-180

Department: GAO  
Document Title: Defense Contractors: Pay,  
Benefits  
Document Type: GAO Report  
INPUT Reference #: NSIAD-96-19

Department: GAO  
Document Title: Military Training: Cost-  
Effective  
Document Type: GAO Report  
INPUT Reference #: NSIAD-96-44

Department: GAO  
Document Title: Federal Job Classification:  
Comparison of Job  
Document Type: GAO Report  
INPUT Reference #: GGD-96-20

Department: GAO  
Document Title: CFTC/SEC Enforcement  
Programs

Document Type: GAO Report  
INPUT Reference #: GGD-96-36

Department: GAO  
Document Title: Small Business  
Administration: Case Studies  
Document Type: GAO Report  
INPUT Reference #: OSI-96-1

Department: GAO  
Document Title: Superfund: Use of  
Innovative Technologies  
Document Type: GAO Report  
INPUT Reference #: RCED-96-45

Department: GAO  
Document Title: Financial Management:  
Continued Momentum  
Document Type: GAO Report  
INPUT Reference #: AIMD-96-10

Department: GAO  
Document Title: Transforming the Civil  
Service: Building the  
Document Type: GAO Report  
INPUT Reference #: GGD-96-35

Department: GAO  
Document Title: Budget Issues:  
Privatization/Divestiture  
Document Type: GAO Report  
INPUT Reference #: AIMD-96-23

Department: GAO  
Document Title: Financial Management:  
Implementation of the Cash  
Document Type: GAO Report  
INPUT Reference #: AIMD-96-4

Department: GAO  
Document Title: Deficit Reduction: Better  
Targeting  
Document Type: GAO Report  
INPUT Reference #: AIMD-96-14

Department: GAO  
Document Title: Postal Service: Conditions  
Leading to Problems  
Document Type: GAO Report  
INPUT Reference #: GGD-96-59

Department: GAO  
Document Title: The 1995 Tax Filing Season:  
IRS Performance  
Document Type: GAO Report  
INPUT Reference #: GGD-96-48

Department: GAO  
Document Title: Government Corporations:  
Profiles of Existing  
Document Type: GAO Report  
INPUT Reference #: GGD-96-14

Department: GAO  
Document Title: U.S. Postal Service: New  
Focus on Improving  
Document Type: GAO Report  
INPUT Reference #: GGD-96-30

Department: GAO  
Document Title: Financial Management:  
General Computer Controls  
Document Type: GAO Report  
INPUT Reference #: AIMD-96-15

Department: GAO  
Document Title: Federally Funded R&D  
Centers: Use of Fee  
Document Type: GAO Report  
INPUT Reference #: NSIAD-96-26

Department: GAO  
Document Title: Federal Research:  
Information on Fees  
Document Type: GAO Report  
INPUT Reference #: RCED-96-31

Department: GAO  
Document Title: Energy Downsizing: Criteria  
for Community



Document Type: GAO Report  
INPUT Reference #: RCED-96-36

Department: HHS  
Document Title: NIOSH Information Systems  
Support Services  
RFP #: 95180N  
Document Type: RFP  
INPUT Reference #: 13131

Department: HHS  
Document Title: NIH IRM plan FY96  
Document Type: IRM Plan  
INPUT Reference #: 01211

Department: NASA  
Document Title: Integrated Financial  
Management Project (IFMP)  
RFP #: 550966023  
Document Type: RFC  
INPUT Reference #: 18229D

Department: Navy  
Document Title: Computer Systems  
Maintenance and Analysis  
RFP #: N0001495RBE06  
Document Type: RFP  
INPUT Reference #: 02299.01

Department: Navy  
Document Title: Integrated Logistics Support  
and Ship Maintenance  
RFP #: N0002494R6403  
Document Type: Contract, Mods, RFP  
INPUT Reference #: 32022.096  
Contractor: TMA Corp.  
Contract #: N0002496C6409

Department: SSA  
Document Title: Forecast of SSA's Contracting  
Opportunities FY96  
Document Type: IRM Plan  
INPUT Reference #: 01211

Department: Treasury  
Document Title: Document Readers  
RFP #: CS94027  
Document Type: RFC  
INPUT Reference #: 25211

Department: Treasury  
Document Type: Contract & Modifications  
INPUT Reference #: 32255.015  
Contractor: Federal Data Corporation  
Contract #: TIR940047

Document Title: How do we Deliver on the  
Wireless Promise?  
Document Type: Conference Binders  
INPUT Reference #: 01910.21

Document Title: Proceedings of the Third  
Federal Wireless Users  
Document Type: Conference Binders  
INPUT Reference #: 01910.22

Document Title: Proceedings of the Fourth  
Federal Wireless Users  
Document Type: Conference Binders  
INPUT Reference #: 01910.23

Document Title: Proceedings of the Fifth  
Federal Wireless Users  
Document Type: Conference Binders  
INPUT Reference #: 01910.24

## Recent DPAs

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### Army

12/21/96 KAA-96-0015

For the acquisition of resources to support the Army Missile Command Corporate Information Center in Redstone Arsenal, AL. This letter responds to an APR of 12/7/95.

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### Defense

12/18/95 KMA-95-0030(A)

For the modification of the DPA provided to the OSD for the acquisition of resources to support the High Performance Computing (HPC) Modernization Program. This letter responds to the APR of 12/13/95.

1/16/96

KAA-96-0016

For the acquisition of resources in support of the Support Hardware and Automation Related Products (Generic) (SHARP G) project. This letter responds to an APR dated 12/11/95.

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### Justice

12/20/95

KAA-96-0009

For exception to the use of GSA's CLTS for the FBI Academy in located at Quantico, VA. This responds to the APR of 11/21/95.

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This newsletter is issued as part of INPUT's Federal IMPACT Program. If you have questions or comments on this newsletter, please call your local INPUT organization or Kevin Plexico at INPUT, 1921 Gallows Road, Suite 250, Vienna, VA 22182, (703) 847-6870

# Federal Newsletter

A Publication from INPUT's Federal Procurement Analysis Reports Service

Vol. IV, No. 3

March 1996

## Restructuring the Department of Transportation

### Researcher's Corner

by Andrew Sung

The Department of Transportation (DOT) coordinates transportation policy for the United States. It is responsible for transportation safety improvements and enforcement, international transportation agreements, and the continuity of transportation services in the public interest. The Department also prepares and proposes all legislation relating to transportation, coordinates transportation issues with other concerned agencies, and provides technical

assistance to states and cities in support of transportation programs and objectives.

Currently, Transportation is composed of 10 loosely grouped operating agencies:

- Office of the Secretary
- Bureau of Transportation Statistics (BTS)
- Federal Aviation Administration (FAA)
- Federal Highway Administration (FHA)
- Federal Railroad Administration (FRA)
- Federal Transit Administration (FTA)
- National Highway Traffic Safety Administration (NHTSA)
- Maritime Administration (MARAD)
- Research and Special Programs Administration (RSPA)
- US Coast Guard (USCG)

These agencies account for approximately \$3 billion in federal contracting, of which \$1 billion is on information technology (IT) support and services. The FAA and USCG consist of 85% of DOT IT spending.

Like many other federal agencies, Transportation is reorganizing its structure and procedures in accordance with National Performance Review (NPR) and National Information Infrastructure (NII) initiatives. With the proposed reorganization — HR 1440,

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introduced in the spring of 1995 — Transportation officials hope to improve the efficiency and effectiveness of the Department. This reorganization would culminate in a more centralized management system comprised of only three agencies:

- Federal Aviation Administration
- US Coast Guard
- Administration of Intermodal Transportation

The latter would combine the functions of all the separate surface transportation agencies.

According to the Department, this downsizing will enable Transportation's agencies to work together more closely and focus on its mission more effectively. The reorganization should also allow them to achieve their mission with reduced operating budgets. To accomplish this reorganization and improve its efficiency, Transportation will have a greater need for IT support and services.

To improve coordination of contracting and IRM functions, DOT has developed the Administration Service Center. The Administration Service Center is a fee-for-service agency providing procurement and contracting assistance, IT functions and Transportation Computer Center (TCC) services.

Additionally, the Department is taking measures to merge its disparate systems and establish department-wide standards.

Currently, agencies have differing standards and incompatible computing environments. By standardizing, the Department hopes to realize economies of scale and improve communications between operating units. Transportation's efforts in this area are evident in the current Information Technology Omnibus Procurement (ITOP, PAR VII-11-118).

Other recent government reform initiatives have assisted Transportation in streamlining its procedures, especially in procurement. As with all agencies, their DPA threshold was raised to \$100 million, of which the Department allotted a \$50 million threshold to its agencies. The Department has also committed to making multiple contractor awards on agency-wide procurements, as well as using GSA schedules to streamline their procurement process.

Transportation is taking steps to improve its effectiveness — doing more with less. These initiatives ought to generate several opportunities for the IT industry, notably in systems integration.

Currently, HR 1440 is on hold with no concrete action expected until early to mid 1997, after the presidential election.

# INPUT Notes

## Federal Financial Management Systems Market 1996-2001

INPUT will be releasing its latest Market Analysis Report later this month which takes an in-depth look at the *Federal Financial Management Systems Market 1996-2001*. Vendors will gain insight into important issues such as:

- Existing and developing financial management systems requirements in the federal government,
- Present and future means by which federal financial products and services will be obtained,
- The role of standards facing current and new vendors in the federal financial systems market, and
- Agency resources dedicated to meet financial management requirements.

If your organization is interested in taking advantage of this valuable resource, please contact INPUT's Jack Cragg or Jeremiah Cunningham at (703) 847-6870.

## New MAR Program Manager

Otto Doll has joined INPUT to run the Federal Market Analysis (MAR) Program. Doll brings to INPUT over 20 years of successful strategic planning experience in the public and private sectors — aligning IT initiatives to business/mission strategy and planning technology migration. Otto Doll can be reached by phone at (703) 847-6870 or by e-mail at [odoll@inputgov.com](mailto:odoll@inputgov.com).

## Internet Access

INPUT staff and services can now be accessed directly over the Internet. These permanent addresses will ensure prompt attention to any request or inquiry:

- [sales@inputgov.com](mailto:sales@inputgov.com) can be accessed for inquiries related to INPUT products and services,
- [support@inputgov.com](mailto:support@inputgov.com) can be accessed for technical difficulties and data base training, and
- [hotline@inputgov.com](mailto:hotline@inputgov.com) can be accessed to field inquiries and requests related to the Federal IMPACT Program.

## Upcoming Federal Conference

INPUT will be holding its annual Federal Conference on June 18, 1996. This one-day event, entitled "A Look Beyond: Government Technology in the Next Millennium," will be held at the Fairview Park Marriot. INPUT will mail detailed brochures on this opportunity shortly.

## FOSE '96 Exposition

INPUT will participate in the FOSE '96 Exposition on April 2-4, 1996 at the Washington Convention Center in Washington, DC. INPUT staff will be available to answer questions and demonstrate products and services. The INPUT booth number is 4404.

## Reports and Profiles

Federal Financial Management Systems  
Market 1996-2001

Federal Wireless Technology Market 1995-2000

### 1996 Reports In Development

Federal Systems Integration Market

Federal Imaging Market

Federal Professional Services Market

Federal Telecommunications Market

### 1996 Agency Profiles

VA, DOE.....March

FBI, State.....April

TVA, USPS.....May

### Available Agency Profiles

SSA, September 1994

Veterans Affairs, September 1994

PHS, October 1994

FBI, November 1994

State, November 1994

Coast Guard, November 1994

Customs Service, December 1994

GSA, February 1995

HCFA, March 1995

Army, March 1995

EPA, April 1995

Agriculture, April 1995

U.S. Postal Service, April 1995

IRS, April 1995

FAA, May 1995

NASA, May 1995

NIH, May 1995

Commerce, May 1995

Justice, May 1995

DISA, June 1995

Education, June 1995

PTO, June 1995

OPM, August 1995

Interior, August 1995

Air Force, September 1995

Labor, October 1995

SBA, October 1995

DFAS, November 1995

Navy, November 1995

CDC, December 1995

FEMA, December 1995

USAID, January 1996

EOP, January 1996

USCS, February 1996

USSS, February 1996

## February Procurement Highlights

### Agriculture

VI-05-052

The Final RFP for Farm Service Agency's ADP Support Services was released on February 5, 1996. Bids for this procurement will be due on March 19, 1996.

### Air Force

DT V

V-01-163

An award for the Desktop V procurement is anticipated in April 1996.



V-01-214

The Air Force Workstations procurement is currently in Source Selection. An award for this opportunity is anticipated for March 5, 1996.

ULANA III

V-01-235

A Draft RFP for the Unified Local Area Network Architecture III procurement is expected in 3QFY96.

DT V 8(A)

V-01-236

An award for the 8(a) portion of the Desktop V opportunity is scheduled for April 1996.

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## Army

SHARP

V-02-110

The Final RFP for Support Hardware Automation Related Products has been rescheduled for release in mid March 1996.

V-02-148

The Final RFP for TARDEC's High Performance Computing opportunity was released on February 8, 1996. Bids will be due on March 25, 1996.

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## Congress

VIII-37-003

The IRM Software Improvement Program was awarded to Independent Network Consultants on January 31, 1996.

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## HHS

VII-08-115

A Draft RFP for CERTAN Distributed Systems is anticipated for release in late March 1996.

NISSS

VII-08-123

The bid due date for NIOSH Information Systems Support Services has been extended indefinitely from February 23, 1996. The Contracting Office is still in the process of reviewing Questions & Answers.

VII-08-131

The Final RFP for the LAN/PC Support program is expected to be released in late February 1996.

---

## Justice

ITSS

VII-10-034

The Final RFP for Information Technology Support Services was released on February 7, 1996. Bids will be due on March 26, 1996.

JCON SI

VII-10-052

GTE was selected to conduct testing of the Justice Consolidated Office Network System Integration. An award announcement for this opportunity will be made in late February 1996.

AFIS III

VII-10-116

Phase III of the IAFIS Automated Fingerprint Identification System was awarded to Martin Marietta Technologies on January 18, 1996.

**MEGA I**

VII-10-124

The Final RFP for the MEGA I Automated Litigation Support Services procurement is tentatively scheduled for release in early March, 1996.

**NASA****BAMIS**

VIII-15-139

The Business and Administrative Management Information Services opportunity was awarded to NCI on January 26, 1996.

**SEWP II**

VIII-15-169

The Final RFP for the Scientific and Engineering Workstation Procurement II program was released on February 19, 1996. Bids will be due on April 1, 1996.

**Nuclear Regulatory Commission****NGN**

VIII-29-005

The Next Generation Network opportunity is currently in Source Selection. An award is anticipated in early March 1996.

**Transportation****FAACTS**

VII-11-119

The Federal Aviation Administration's Computer Technology Systems procurement is currently on hold. The Contracting Office is reviewing requirements and plans to resynopsise this opportunity in late March 1996. The RFP may be released in late April 1996.

## Recent Library Acquisitions

Department: Agriculture

Document Title: Interagency Cache Business System (ICBS)

Document Type: RFI

INPUT Reference #: 03031

Department: Air Force

Document Title: Western Range Operation

RFP #: F0468495R0020

Document Type: RFP

INPUT Reference #: 02099.12

Department: Air Force

Document Title: CMC Mission Software Support

RFP #: F0560495R9005

Document Type: DRFP II

INPUT Reference #: 02099.13

Department: Air Force

Document Title: TEAS III

RFP #: F0862696R0003

Document Type: RFP

INPUT Reference #: 02099.14

Department: Army

Document Title: TARDEC High Performance Computing

RFP #: DAAE0796RQ204

Document Type: RFP

INPUT Reference #: 02199.04

Department: Commerce

Document Title: System Development and Maintenance

RFP #: 52PBPT600001

Document Type: RFP

INPUT Reference #: 04612

Department: Defense  
Document Title: U.S. Transportation  
Command FY 95-96 Budget  
Document Type: A-11/Budget  
INPUT Reference #: 01031

Department: Defense  
Document Title: Managerial and Operational  
Support  
RFP #: DASW0195R0325  
Document Type: RFP  
INPUT Reference #: 02532

Department: Exec. Office of President  
Document Title: Agency Procurement  
Executives  
Document Type: Directory  
INPUT Reference #: 01329

Department: Exec. Office of President  
Document Title: OMB Bul. No. 96-02,  
Consolidation of Agency Data Centers  
Document Type: Regulations  
INPUT Reference #: 01612

Department: GAO  
Document Title: Financial Management:  
Continued Momentum  
Document Type: GAO Report  
INPUT Reference #: AIMD-96-10

Department: GAO  
Document Title: Federal Research:  
Preliminary Information  
Document Type: GAO Report  
INPUT Reference #: RCED-96-19

Department: GAO  
Document Title: White House Travel  
Document Type: GAO Report  
INPUT Reference #: AIMD-96-19

Department: GAO  
Document Title: Defense Research And  
Development  
Document Type: GAO Report  
INPUT Reference #: NSIAD-96-27

Department: GAO  
Document Title: Military Equal Opportunity:  
Problems  
Document Type: GAO Report  
INPUT Reference #: NSIAD-96-9

Department: GAO  
Document Title: DOD Procurement: Use and  
Administration  
Document Type: GAO Report  
INPUT Reference #: NSIAD-96-21

Department: GAO  
Document Title: Office Of Management And  
Budget: Changes  
Document Type: GAO Report  
INPUT Reference #: GGD-96-50

Department: GAO  
Document Title: OMB 2000: Changes  
Resulting  
Document Type: GAO Report  
INPUT Reference #: GGD-96-68

Department: GAO  
Document Title: Forest Service: Issues  
Relating to Its  
Document Type: GAO Report  
INPUT Reference #: RCED-96-66

Department: GAO  
Document Title: Measuring Performance: The  
Advanced Technology  
Document Type: GAO Report  
INPUT Reference #: RCED-96-47

Department: GSA  
Document Title: FEDSIM'S Data Center  
Service (FEDCAC 111)  
RFP #: KRF96011  
Document Type: RFI  
INPUT Reference #: 12101

Department: GSA  
Document Title: DISN-CONUS Protest by  
AT&T  
Document Type: Protest/Protest Decision  
INPUT Reference #: 01710.14



Department: GSA  
Document Title: GSA Board of Contract Appeals  
Document Type: Protest/Protest Decision  
INPUT Reference #: 01710.15

Department: GSA  
Document Title: Revised Post-FTS2000 Program Strategy  
Document Type: Other Document  
INPUT Reference #: 12092A

Department: HHS  
Document Title: Mainframe Acquisition Project  
RFP #: SSARFP962570  
Document Type: RFP, BML  
INPUT Reference #: 13321

Department: HHS  
RFP #: 95157  
Document Type: RFP  
INPUT Reference #: 13132

Department: Justice  
Document Title: Mega I Automated Litigation Support Services  
RFP #: JSJMD96R0020  
Document Type: RFP (Solicitation Overview)  
INPUT Reference #: 16032

Department: Justice  
Document Title: Information Technology Support Services 2001  
RFP #: JUJMD96R0015  
Document Type: RFP, BML  
INPUT Reference #: 16033

Department: NASA  
Document Title: Aerospace Research and Technology  
RFP #: 1137D1165  
Document Type: RFP, BML  
INPUT Reference #: 18611

Department: NASA  
Document Title: Independent Verification and Validation  
Document Type: Contract & Modifications  
INPUT Reference #: 32189.024  
Contractor: Intermetrics  
Contract #: NAS532605

Department: Navy  
Document Title: Technical and Engineering Services  
RFP #: N0042195R5289  
Document Type: RFP  
INPUT Reference #: 02299.02

Department: Navy  
Document Title: Engineering and Technical Services  
RFP #: N0042196R1012  
Document Type: RFP  
INPUT Reference #: 02299.03

Department: Navy  
Document Title: EDMICS Hardware Maintenance  
RFP #: N0025396R0005  
Document Type: RFP  
INPUT Reference #: 02299.04

Department: SEC  
Document Title: Lost and Stolen Securities Program  
Related PAR:  
RFP #: SECHQ195R0001  
Document Type: RFP  
INPUT Reference #: 29001

Department: Transportation  
Document Title: Technical Support Services  
Document Type: Contract  
INPUT Reference #: 32240.004  
Contractor: UNISYS  
Contract #: DTRS5792C00077

Department: Transportation  
 Document Type: Contract & Modifications  
 INPUT Reference #: 32242.009A  
 Contractor: NYMA  
 Contract #: DTFA00188Y01018

Department: Treasury  
 RFP #: IRS89046  
 Document Type: Contract  
 INPUT Reference #: 32255.016  
 Contractor: General Analytics  
 Contract #: TIR890075

Department: Treasury  
 Document Type: Contract & Modifications  
 INPUT Reference #: 32255.017  
 Contractor: MSD  
 Contract #: TIR940090

Department: TVA  
 Document Title: TVA Workstation PACT  
 RFP #: YD142201  
 Document Type: RFP  
 INPUT Reference #: 06504

Department: TVA  
 Document Title: ADP Equipment  
 RFP #: YC142392  
 Document Type: RFP, Q & A  
 INPUT Reference #: 06505

Department: U.S. Courts  
 Document Title: Integrated Library System  
 RFP #: USCA95R001  
 Document Type: RFP  
 INPUT Reference #: 08504

Department: U.S. Courts  
 Document Title: Human Resources  
 Management Information System  
 RFP #: USCA96R004  
 Document Type: RFP, BML  
 INPUT Reference #: 08505

## Recent DPAs

### Defense

12/13/95 KMA-93-0095(C)

For the modification of the DPA for the acquisition of resources to support the Defense Enterprise Integration Services (DEIS) Program. This letter responds to the APR of 11/20/95.

2/5/96 KAA-96-0017

For the acquisition of resources for DFAS' FSO to support the DFISS maintenance and standardization requirements. This letter responds to an APR of 12/11/95.

### Energy

2/1/96 KAA-96-0018

For exception of the use of GSA's CLTS for the Southwestern Power Administration in Tulsa, OK. This letter responds to an APR of 12/21/96.

### GSA

12/8/95 KAA-96-0012

To acquire support services using the DoD/Army Directorate of Contracting at Fort Huachuca, Arizona as its contracting agent. This memo responds to an APR of 12/5/95.

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## Justice

2/7/96

KAA-96-0031

For the exception of the use of GSA's CLTS for the FBI in Albany, NY. This letter responds to an APR of 1/30/96.

2/7/96

KAA-96-0032

For exception to use of GSA's CLTS for the FBI in Phoenix, AZ. This letter responds to an APR of 1/30/96.

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## NASA

12/27/95

KAA-96-0014

To acquire resources for the NASA's Space Flight Operations Contract Project. This letter responds to an APR of 12/12/95.

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## Treasury

12/22/95

KMA-84-0042(S)

For the modification of DPA by GSA to install Treasury's Digital Telecommunications System (DTS) service. This letter responds to an APR of 12/15/95.

12/19/95

KMA-93-0416(A)

For an exception to use of GSA's CLTS for the IRS Lamar Annex of the Tennessee Computing Center complex, in Memphis, TN. CLTS is approved for a period of ten years, including acquisition of hardware, software and maintenance.

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# Federal Newsletter

A Publication from INPUT's Federal Procurement Analysis Reports Service

Vol. IV, No. 4

April 1996

## 1996 Procurement Reform: FARA and ITMRA

### Researcher's Corner

by *Marco H. de Vries*

Without a substantial level of publicity, 1996 has witnessed a virtual revolution in the way government acquires and manages information technology (IT). The February 10 signing into law of the fiscal year 1996 Defense Authorization Bill, which was originally vetoed for reasons unrelated to IT in December of last year, encompasses two reform measures pertinent to all agencies and the entire industry—both aimed at making process and product more efficient.

The first, Division D of the bill, is entitled the Federal Acquisition Reform Act (FARA) of

1996. It seeks to streamline federal acquisitions in numerous ways, most notably by revising the concept of "full and open" competition (now only to be used when it is "practical" for government) and by allowing greater agency discretion in establishing competitive ranges. Furthermore, FARA will facilitate the acquisition of commercial items, raising the threshold for using simplified procedures from \$100,000 to \$5 million. Division D also removes previous incentives for achieving immediate interim FACNET capability, arguing that this outdated and improperly implemented technology ought not to limit the use of simplified procurements.

The second, Division E of the bill, is commonly referred to as the Information Technology Management Reform Act (ITMRA) of 1996. ITMRA endeavors to return power to individual agencies away from the General Services Administration (GSA), adopt a decentralized approach to IT acquisition, and to infuse private sector ideals and practices into IT missions.

Namely, ITMRA repeals the 31 year-old Brooks Act, allows federal agencies to contract directly for IT, and establishes the General Accounting Office (GAO) as the sole administrative forum for IT protests. Further, it transfers the authority of the General Services Board of Contract Appeals

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(GSBCA) to hear such protests to GAO. It also calls for the establishment of a chief information officer (CIO) position in each federal agency to hold that agency accountable for delivering systems that produce results. In brief, ITMRA's focus on mission over product, modular 12 to 18 month acquisitions, and its discouragement of costly protests are expected to greatly increase IT efficiency within the government.

Collectively, these two provisions have been dubbed "FASA II," after the significant procurement reforms initiated by the Federal Acquisition Streamlining Act (FASA) of 1994. In contrast to 1994, however, when there was virtually unanimous support for procurement reform, this year the mood among agencies and industry has been mixed.

There is significant concern, both at the working levels of the agencies and among contractors, as to the wisdom of further reforms before those initiated in 1994 have had a chance to be fully integrated into the system. Many feel that streamlining only for the sake of change may underscore fairness and accountability. The U.S. Chamber of Commerce and the small business community have been the most vocal about the potential damage that restricting competition and shying away from the full and open standard may have. The new legislation will likely make it difficult for new entrants and small businesses with little or no past performance record to compete.

Other concerns center on the discouragement of protest forum "shopping" under FARA and ITMRA. While filing a dispute at GAO is less expensive, the eradication of GSBCA's protest jurisdiction translates into several negative consequences for many vendors. Delays will become more commonplace: GSBCA is required to resolve disputes within 65 days, while GAO has 100 days (125 days prior to ITMRA). Access to information will also be restricted. GSBCA documents are public information unless filed under protective order, while documents filed at GAO are

managed primarily by individual GAO attorneys often reluctant to offer information to anyone not directly involved in the suit.

While FARA and ITMRA will undoubtedly provide many positive changes for government and industry alike, it should be noted that negative consequences may loom as well.

Final regulations for the FARA provisions must be in place by January 1, 1997, with 60 days required for all comment periods. ITMRA provisions go into effect 180 days after the signing of the Defense Authorization Bill, calculated to be August 8, 1996.

## INPUT Notes

### Federal Financial Management Systems Market 1996-2001

INPUT has released its latest Market Analysis Report which takes an in-depth look at the *Federal Financial Management Systems Market 1996-2001*. Vendors will gain insight into important issues such as:

- Existing and developing financial management systems requirements in the federal government,
- Present and future means by which federal financial products and services will be obtained,
- The role of standards facing current and new vendors in the federal financial systems market, and
- Agency resources dedicated to meet financial management requirements.

If your organization is interested in taking advantage of this valuable resource, please contact Jack Cragg or Jeremiah Cunningham at (703) 847-6870.



## Internet Access

INPUT staff and services can now be accessed directly over the Internet. These permanent addresses will ensure prompt attention to any request or inquiry:

- **sales@inputgov.com** can be accessed for inquiries related to INPUT products and services,
- **support@inputgov.com** can be accessed for technical difficulties and database training, and
- **hotline@inputgov.com** can be accessed to field inquiries and requests related to the Federal IMPACT Program.

## Upcoming Federal Conference

INPUT will be holding its annual Federal Conference on June 18, 1996. This one-day event, entitled "A Look Beyond: Government Technology in the Next Millennium," will be held at the Fairview Park Marriot. INPUT will mail detailed brochures on this opportunity shortly.

## Reports and Profiles

Federal Financial Management Systems Market 1996-2001  
Federal Wireless Technology Market 1995-2000

## 1996 Reports In Development

Federal Imaging Market  
Federal Professional Services Market  
Federal Telecommunications Market

## 1996 Agency Profiles

FBI, State.....	April
TVA, USPS.....	May
USCG, GSA.....	June

## Available Agency Profiles

GSA, February 1995  
HCFA, March 1995  
Army, March 1995  
EPA, April 1995  
Agriculture, April 1995  
U.S. Postal Service, April 1995  
IRS, April 1995  
FAA, May 1995  
NASA, May 1995  
NIH, May 1995  
Commerce, May 1995  
Justice, May 1995  
DISA, June 1995  
Education, June 1995  
PTO, June 1995  
OPM, August 1995  
Interior, August 1995  
Air Force, September 1995  
Labor, October 1995  
SBA, October 1995  
DFAS, November 1995  
Navy, November 1995  
CDC, December 1995  
FEMA, December 1995  
USAID, January 1996  
EOP, January 1996  
USCS, February 1996  
USSS, February 1996  
VA, March 1996  
DOE, March 1996



# March Procurement Highlights

## Air Force

DT V V-01-163

An award for the Desktop V procurement is anticipated on April 12, 1996.

AFWS V-01-214

The Air Force Workstations acquisition was awarded to Sun Microsystems and Hughes Data Systems on March 20, 1996. The contracts have a maximum value of \$956 million.

DT V 8(A) V-01-236

The expected award date for the 8(a) portion of the Desktop V opportunity has been extended to June 1996.

## Army

OSCAR II V-02-114

The Outside Cable Rehabilitation II acquisition was awarded to GTE on February 24, 1996 for \$259 million.

MSRC V-02-120

An award for the Major Shared Resource Centers procurement is anticipated in mid April 1996.

## Defense

ITSS V-04E-014

Bids for the Information Technology Support Services procurement are due on April 29, 1996.

DEIS II V-04G-052

The Final RFP for the Defense Enterprise Integration Services II acquisition was released on March 1, 1996. Bids will be due on April 8, 1996.

## HHS

FEDCAC 108 VII-08-105

The RFP for CERTAN - Corporate Computing Systems for NIH was released on March 11, 1996. Bids will be due on May 13, 1996.

FEDCAC 110 VII-08-114

An RFI was released on March 15, 1996 for the CERTAN Scientific Systems acquisition. A Draft RFP is tentatively scheduled for release in November 1996.

FEDCAC 109 VII-08-115

An RFI for CERTAN Distributed Resources was released on March 15, 1996. Comments will be due on June 30, 1996. An RFP is scheduled for release in September 1996.

## Justice

JCON SI VII-10-052

The Justice Consolidated Office Network System Integration acquisition was awarded to GTE on March 8, 1996 with a maximum value of \$500 million.

**NEW GAMMA**

The FBI-DEA Administrative System procurement is currently on hold for an indefinite length of time. No joint office automation system is required at this time.

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**NASA**

IFMP VIII-15-171

The RFP for Integrated Financial Management Project is scheduled for release on April 1, 1996.

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**Navy**

V-03-252

An award for the EDMICS Hardware Maintenance opportunity is expected on April 1, 1996.

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**SSA**

IWS/LAN I VII-08A-006

An award for the IWS/LAN Workstation Acquisition is anticipated in late March 1996.

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**Transportation**

OASIS VII-11-057

A vendors' conference for the FAA's FSAS Operational and Supportability Implementation System acquisition will be held on April 23, 1996. The Draft RFP is scheduled for release in May 1996.

**STARS**

VII-11-105

An RFP for the Standard Terminal Automation Replacement System was released on March 5, 1996. Bids will be due as follows: past performance proposals on April 2, 1996; technical proposals on May 1, 1996; management proposals on May 10, 1996; and cost proposals on July 1, 1996.

**ES2**

VII-11-114

A Draft RFP for En Route Software Engineering Support Services was released on March 12, 1996. Comments will be due on April 12, 1996.

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**Treasury**

TDA I VII-12-098

Treasury Department Acquisition I was awarded to GTSI on March 4, 1996 for \$38.6 million.

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**US Courts**

HRMIS VIII-30-009

The bid due date for the Human Resources Management Information System acquisition has been extended to April 4, 1996.

## Recent Library Acquisitions

Department: Agriculture  
Document Title: USDA FSIS IRM Long-Range Plan FY1996-2000  
Document Type: IRM Plan  
INPUT Reference #: 01205

Department: Air Force  
Document Title: Regional Distribution System  
RFP #: F1162493R0006  
Document Type: Proposal  
INPUT Reference #: 02064.1  
Contractor: GTE  
Contract #: F1162495D0001

Department: Air Force  
Document Title: Regional Distribution System (RDS)  
Document Type: Contract  
INPUT Reference #: 32020.067  
Contractor: GTE  
Contract #: F1162495D001

Department: Air Force  
Document Title: C4O Services  
RFP #: F3460896R0008  
Document Type: DRFP (Diskette), BML  
INPUT Reference #: 02099.15

Department: Air Force  
Document Title: Software Engineering Services  
RFP #: F0863596  
Document Type: DRFP  
INPUT Reference #: 02099.16

Department: Air Force  
Document Title: ROMSSC  
RFP #: F0468495R002  
Document Type: RFP, DRFP Sec. L, Q&A  
INPUT Reference #: 02099.17

Department: Army  
Document Title: Functional Support Services  
RFP #: DAHC9495R0009  
Document Type: RFP  
INPUT Reference #: 02199.05

Department: Army  
Document Title: Technical Data Management Support  
RFP #: DAAH0196RR006  
Document Type: RFP, Source List  
INPUT Reference #: 02199.06

Department: Army  
Document Title: Data Administration/Data Encyclopedia Support  
RFP #: DACW6996R0055  
Document Type: RFP  
INPUT Reference #: 02199.07

Department: CFO Council  
Document Title: Draft Report of the Financial Systems Strategy Tea  
Document Type: Other Document  
INPUT Reference #: 01848

Department: Commerce  
Document Title: Treasury Information Systems Plans FY 1997-2001  
Document Type: IRM Plan  
INPUT Reference #: 01218

Department: Defense  
Document Title: DNA D(N) Management Information System  
Document Type: Contract & Modifications  
INPUT Reference #: 32024.038  
Contractor: CMS  
Contract #: DNA00193C0163

Department: Defense  
Document Title: DEIS II  
RFP #: DCA10095R0099  
Document Type: RFP (Diskette)  
INPUT Reference #: 02533



Department: Defense  
Document Title: Meteorological Information  
Standard Terminal  
RFP #: DCA20096R0013  
Document Type: Draft SOW, BML  
INPUT Reference #: 02534

Department: Defense  
Document Title: Information Technology  
Support Services (ITSS)  
RFP #: DASW0196R0022  
Document Type: RFP, BML  
INPUT Reference #: 02535

Department: Energy  
Document Title: Management and Operation  
of the Nat'l Renewable  
Document Type: Contract & Modifications  
INPUT Reference #: 32060.024  
Contractor: Midwest Research Institute  
Contract #: DEAC3683CH10093

Department: GAO  
Document Title: Budget Issues: Compliance  
Report Required  
Document Type: GAO Report  
INPUT Reference #: AIMD-96-41

Department: GAO  
Document Title: Weather Forecasting: New  
Processing System  
Document Type: GAO Report  
INPUT Reference #: AIMD-96-47

Department: GAO  
Document Title: FDA Review and Approval  
Times  
Document Type: GAO Report  
INPUT Reference #: PEMD-96-6

Department: GAO  
Document Title: Weather Forecasting: NWS  
Has Not Demonstrated  
Document Type: GAO Report  
INPUT Reference #: AIMD-96-29

Department: GAO  
Document Title: Tax Administration: Making  
IRS' Telephone  
Document Type: GAO Report  
INPUT Reference #: GGD-96-74

Department: GAO  
Document Title: Border Patrol: Staffing and  
Enforcement Activities  
Document Type: GAO Report  
INPUT Reference #: GGD-96-65

Department: GAO  
Document Title: State Department: Actions  
Needed to Improve  
Document Type: GAO Report  
INPUT Reference #: NSIAD-96-1

Department: GAO  
Document Title: Best Management Practices:  
Reengineering  
Document Type: GAO Report  
INPUT Reference #: NSIAD-96-5

Department: GAO  
Document Title: Defense Industrial Security:  
Weaknesses in U.S.  
Document Type: GAO Report  
INPUT Reference #: NSIAD-96-64

Department: GAO  
Document Title: Defense Transportation:  
Streamlining  
Document Type: GAO Report  
INPUT Reference #: NSIAD-96-60

Department: GAO  
Document Title: Social Security: Telephone  
Access Enhanced  
Document Type: GAO Report  
INPUT Reference #: HEHS-96-70

Department: GAO  
Document Title: Budget Issues: Deficit  
Reduction and the Long  
Document Type: GAO Report  
INPUT Reference #: AIMD-96-66

Department: GAO  
Document Title: Depot Maintenance:  
Opportunities to Privatize  
Document Type: GAO Report  
INPUT Reference #: NSIAD-96-33

Department: GAO  
Document Title: IRS Operations: Significant  
Challenges  
Document Type: GAO Report  
INPUT Reference #: AIMD-96-56

Department: GAO  
Document Title: Government Corporations:  
CFO Act Management  
Document Type: GAO Report  
INPUT Reference #: AIMD-94-73

Department: GAO  
Document Title: Reports and Testimony:  
January 1996  
Document Type: GAO Report  
INPUT Reference #: OPA-96-4

Department: HHS  
Document Title: Administrative Support  
Service  
RFP #: N02C06620581  
Document Type: RFP, BML  
INPUT Reference #: 13133

Department: HHS  
Document Title: CERTAN - Corporate  
Computing Systems  
RFP #: KRF95008  
Document Type: RFP  
INPUT Reference #: 13134

Department: HHS  
Document Title: CERTAN - Distributed  
Resources  
RFP #: KRF96009  
Document Type: RFI  
INPUT Reference #: 13135

Department: HHS  
Document Title: CERTAN - Scientific Systems  
RFP #: KRF96110  
Document Type: RFI  
INPUT Reference #: 13136

Department: Justice  
Document Title: ADP Technical Support  
Services  
RFP #: DEA96R0001  
Document Type: RFP, BML  
INPUT Reference #: 16034

Department: Justice  
RFP #: MS94R0032  
Document Type: RFP  
INPUT Reference #: 16305

Department: Labor  
Document Title: Automatic Data Processing  
and Telecommunications  
RFP #: L/A9604  
Document Type: RFP  
INPUT Reference #: 17015

Department: Navy  
Document Title: Life Cycle Management  
Document Type: Contract & Modifications  
INPUT Reference #: 32022.097  
Contractor: TMA  
Contract #: N0002495C6427

Department: Navy  
Document Title: Information Systems Support  
Services  
RFP #: N0060096R1711  
Document Type: RFP  
INPUT Reference #: 02299.05

Department: Navy  
Document Title: LAMES  
RFP #: N0001996R0005  
Document Type: RFP  
INPUT Reference #: 02299.06

Department: Navy  
Document Title: Point of Sale Terminals  
RFP #: N00014096R0003  
Document Type: Vision Statement  
INPUT Reference #: 02299.07

Department: Navy  
Document Title: Professional Admin. and  
Management Support Service  
RFP #: N0017896R2008  
Document Type: RFP, BML  
INPUT Reference #: 02299.08

Department: Transportation  
Document Title: National Airspace System  
Implementation Support  
RFP #: DTFA0196R340N2  
Document Type: RFI  
INPUT Reference #: 24270

Department: Transportation  
Document Title: Technical Support Services  
for FAA  
RFP #: DTFA0296R60517  
Document Type: RFP  
INPUT Reference #: 24271

Department: Treasury  
Document Title: Treasury Dept. Information  
Sys. Plans FY1997-2001  
Document Type: IRM Plan  
INPUT Reference #: 01218

AFCEA  
Document Title: AFCEA Conference Notes  
Document Type: Conference Binders  
INPUT Reference #: 01910.25

Carroll Publishing  
Document Title: State Directory, Executive,  
Legislative, Judicial  
Document Type: Directory  
INPUT Reference #: 01302.02

INPUT  
Document Title: Federal Info. Systems and  
Services Market 1993-98  
Document Type: INPUT Document  
INPUT Reference #: MMF93

INPUT  
Document Title: Object-Oriented Technologies  
in the Fed. Market  
Document Type: INPUT Document  
INPUT Reference #: MAI93

INPUT  
Document Title: Service to the Citizen Market  
Document Type: INPUT Document  
INPUT Reference #: MA293

INPUT  
Document Title: Federal Document  
Management Systems 1995-2000  
Document Type: INPUT Document  
INPUT Reference #: MMA5-95

INPUT  
Document Title: Federal Telecommunications  
Market 1994-1999  
Document Type: INPUT Document  
INPUT Reference #: MMA3-95

INPUT  
Document Title: Federal Info. Systems and  
Services Market FY 1995-2000  
Document Type: INPUT Document  
INPUT Reference #: MMA9-95

INPUT  
Document Title: Federal Wireless Technology  
Market  
Document Type: INPUT Document  
INPUT Reference #: MM10-95



INPUT

Document Title: Federal E-Mail Systems Market

Document Type: INPUT Document

INPUT Reference #: MMA4-94

INPUT

Document Title: Federal Imaging Market 1994

Document Type: INPUT Document

INPUT Reference #: MA4-94

INPUT

Document Title: Federal High Performance Computing 1994-1999

Document Type: INPUT Document

INPUT Reference #: MMA2-94

INPUT

Document Title: Federal Info. Systems and Services Market FY 1994-1999

Document Type: INPUT Document

INPUT Reference #: MMMF-94

INPUT

Document Title: Business Process Re-engineering in the Fed. Gov't.

Document Type: INPUT Document

INPUT Reference #: MMA1-94

## Recent DPAs

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### Energy

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3/13/96

KMA-96-0042

To acquire resources for the Telecommunications Integrator Services (TELIS) Project. This letter responds to an APR of 3/4/96.

### State

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12/22/95

KMA-92-0513(J)

For the modification of the DPA on 9/28/92 to acquire domestic telecommunications equipment and support. GSA is modifying the DPA for the acquisition of necessary telecommunications resources for years six through ten.

### Transportation

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3/13/96

KAA-96-0043

To acquire resources for the FAA's En Route Engineering Software Services (ERESS) Project. This letter responds to an APR of 3/6/96.

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This newsletter is issued as part of INPUT's Federal IMPACT Program. If you have questions or comments on this newsletter, please call your local INPUT organization or Kevin Plexico at INPUT, 1921 Gallows Road, Suite 250, Vienna, VA 22182, (703) 847-6870

# Federal Newsletter

A Publication from INPUT's Federal Procurement Analysis Reports Service

Vol. IV, No. 5

May 1996

## FAA Acquisition Reform

### Researcher's Corner

by William H. Young

The 1996 Department of Transportation (DOT) Appropriations Act (Public Law 104-50) directs the Federal Aviation Administration (FAA) to develop an Acquisition Management System that addresses the needs of the agency and provides for a more timely and cost-effective way of acquiring equipment, materials and services. Section 348 of this law exempts the FAA from many existing federal procurement laws, including:

- Title III of the Federal Property and Administrative Services Act of 1949;
- Office of Federal Procurement Policy Act;

- Federal Acquisition Streamlining Act of 1994;
- Small Business Act, except that all reasonable opportunities shall be awarded to small and small disadvantaged businesses;
- Competition in Contracting Act;
- Procurement protests before the General Accounting Office (GAO)
- Brooks Automatic Data Processing Act; and
- Federal Acquisition Regulation (FAR)

April 1, 1996 was the implementation date for the new FAA Acquisition Management System. The new system changes almost every facet of the FAA's current procurement practices. The FAA believes that reduction in time and cost to produce new products and services can be accomplished if all components of acquisition management—policy, processes, human resources and organization—are changed into one integrated system. The changes that the FAA proposes are grouped into the following areas, which together address the overhaul of FAA acquisition reform.

**The Lifecycle Acquisition Management System** describes FAA's new approach for managing the whole acquisition lifecycle process, from the creation of mission needs to the disposal of products.

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**The Workforce Learning System** describes FAA's approach to the learning behaviors needed for successful implementation of acquisition and procurement reform.

The **Procurement System** allows the FAA to be creative in the process of selecting vendors and managing contracts. All parts of the procurement process are addressed--from the identification of potential sources to the awarding and administering of contracts.

Highlights of the Procurement System:

- The FAA will emphasize competition; however, sole source contracting is still permitted when determined to be in the best interest of the FAA;
- Integrated Product Teams (IPT's) will be formed that have the authority to make sole source decisions, and are responsible for those decisions;
- The FAA will provide opportunities for small and small disadvantaged businesses;
- The FAA will have open communication with industry from planning to award;
- For procurements over \$50,000, the FAA will make public announcements on the Internet or by other means; and
- Protests will be dealt with by the FAA's internal Alternative Dispute Resolution process.

The FAA believes that the new system will save the government close to \$200 million in the next three years while speeding up the deployment of new products, equipment and services.

Copies of the Acquisition Management System, as well as other information pertaining to FAA's procurement reform, can be obtained via the Internet at [http://www.faa.gov/asu/asu100/acq-reform/acq\\_home.htm](http://www.faa.gov/asu/asu100/acq-reform/acq_home.htm).

The FAA believes it will take a year and a half to apply the new system to all of its acquisitions. However, the new system will

apply immediately to three programs: the Operational & Supportability Implementation System, the Advanced Oceanic Automation System and the Integrated Terminal Weather System.

## INPUT Notes

### INPUT's Federal Conference

The INPUT 1996 Federal Client Conference, *A Look Beyond: Government Technology in the Next Millennium*, is scheduled for Tuesday, June 18, 1996 at the Fairview Park Marriott in Falls Church, VA.

The agenda for this one day meeting is centered around the discussion of information technology reform and changes affecting the federal government. It includes presentations by key government and administration officials highlighting issues which will drive the future relationship between government and private industry.

The preliminary agenda includes Virginia IT officials, agency representatives from the Postal Service, National Science Foundation, and NASA, as well as a panel of newly appointed chief information officers.

Projected topics include such items as "The Electronic Government" and new operating paradigms within the Navy.

INPUT has extended an invitation to Vice-President Al Gore to make the keynote address.

Finally, the presentation will conclude with INPUT's analysis of the marketplace and forecast for 1997-2001.



## Staff Notes

INPUT is pleased to welcome Payton Smith to the market analysis group. Payton is a former PAR development staff member. He will now be responsible for MAR hotlines and report research.

Marco de Vries will now take over Agency Profile development.

## New Internet Service

INPUT's Federal Home Page is now up and running at <http://www.inputgov.com>. Clients may view and download the Federal Newsletter, as well as gain valuable information about INPUT and its services at this site.

Also, INPUT will be implementing a weekly Federal IT news service for clients via e-mail. Clients who are interested in receiving weekly reports should send an e-mail to Brian Haney at [bhaney@inputgov.com](mailto:bhaney@inputgov.com).

## Reports and Profiles

Federal Financial Management Systems Market 1996-2001

Federal Wireless Technology Market 1995-2000

## 1996 Reports In Development

Federal Imaging Market

Federal Professional Services Market

Federal Telecommunications Market

## 1996 Agency Profiles

TVA, USPS..... May

USCG, GSA..... June

Army, IRS ..... July

## Available Agency Profiles

GSA, February 1995

HCFA, March 1995

Army, March 1995

EPA, April 1995

Agriculture, April 1995

U.S. Postal Service, April 1995

IRS, April 1995

FAA, May 1995

NASA, May 1995

NIH, May 1995

Commerce, May 1995

Justice, May 1995

DISA, June 1995

Education, June 1995

PTO, June 1995

OPM, August 1995

Interior, August 1995

Air Force, September 1995

Labor, October 1995

SBA, October 1995

DFAS, November 1995

Navy, November 1995

CDC, December 1995

FEMA, December 1995

USAID, January 1996

EOP, January 1996

USCS, February 1996

USSS, February 1996

VA, March 1996

DOE, March 1996

FBI, April 1996

State, April 1996

# April Procurement Highlights

## Air Force

DT V V-01-163

Two awards for the Desktop V procurement are anticipated in early May 1996.

## Army

WARSIM 2000 V-02-103

Lot 2 of the Warfighter Simulation 2000 program was awarded to Loral on April 2, 1996.

DATA ADMIN. V-02-150

The bid due date for the Data Administration/Data Encyclopedia Support program have been indefinitely postponed.

## Defense

CIM TOOLS V-04E-015

The Corporate Information Management Tools and Support program has been canceled.

## NASA

SEWP II VIII-15-169

An award for the Scientific Engineering Workstation Procurement II is expected in September 1996.

## Navy

NTOPS V-03-169

The New Technologies for Office and Portable Systems program was awarded to Concept Automation and Cordant on April 18, 1996.

NAVTIP V-03-213

The second Draft RFP for the Naval Telecommunications Infrastructure Project is scheduled for release in mid-May 1996.

SNCWSE V-03-237

The Software Nuclear Safety and Software Conventional Safety Engineering Services program was awarded to Control Systems Analysis on March 13, 1996. The contract has an estimated value of \$7 million.

DC3VT V-03-243

The Digital Command, Control, and Communications Vehicular Trainer procurement has been placed on hold.

## OPM

VIII-20-005

The On-Site Systems Software Support Services contract was awarded to Compuware on March 1, 1996. The program has an estimated value of \$4 million.

## SSA

IWS/LAN I VII-08A-006

An award for the IWS/LAN Workstation Acquisition is anticipated on June 14, 1996.

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## State

SII-PC/LAN VII-09C-025

An RFP for the State Information Infrastructure PC/LAN program is anticipated in May 1996.

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## Transportation

FAACTS VII-11-119

The Federal Aviation Administration's Computer Technology Systems procurement has been canceled. Requirements will be fulfilled through the ITOP and SEWP II programs.

SPAS VII-11-101

The Safety Performance Analysis System requirements will be satisfied through in-house resources.

VTS 2000 IV&V VII-11-106

The VTS 2000 program was awarded to SETA Corp. on March 28, 1996.

HSIS III VII-11-136

An RFP is expected in mid-May 1996 for the Development, Operation, and Maintenance of the Highway Safety Infrastructure System.

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## Treasury

TDPI VII-12-125

The Treasury Distributed Processing Infrastructure program has been canceled. The requirements will be fulfilled through GSA Schedule buys.

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## US Courts

SAPSS VIII-30-006

The Systems Analysis and Programming Support Services contract was awarded to SRA Technical Services on March 15, 1996.

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## Veterans Affairs

PCHS VIII-16-030

An RFP release for the Procurement of Computer Hardware and Software is expected in May 1996.

PAIRS VIII-16-032

An RFP release for the Procurement of Automated Information Resource Solutions program is expected on June 30, 1996.

# Recent Library Acquisitions

Department: Air Force  
Document Title: C4 Services  
RFP #: F3460896R0008  
Document Type: DRFP, BML  
INPUT Reference #: 02099.18

Department: Air Force  
Document Title: LEAP  
Document Type: Contract & Modifications  
INPUT Reference #: 32020.068  
Contractor: GTE  
Contract #: F1962893C0212



Department: Army  
Document Title: Engineering Technical Services  
Document Type: Contract & Modifications  
INPUT Reference #: 32021.066  
Contractor: Vitro  
Contract #: DAAB1089D0505

Department: Army  
Document Title: Electronic Security System  
Document Type: Contract & Modifications  
INPUT Reference #: 32021.067  
Contractor: KIEWIT Network  
Contract #: DACA8795D0037

Department: Commerce  
Document Title: Treasury Information Systems Plans FY 1997-2001  
Document Type: IRM Plan  
INPUT Reference #: 01218

Department: Commerce  
Document Title: Satellite Engineering and Navigation Support  
RFP #: 52DGNE400130  
Document Type: RFP, SOW  
INPUT Reference #: 04318

Department: Defense  
Document Title: Integrated Information Management System (IIMS)  
RFP #: DCA10096R0013  
Document Type: RFP  
INPUT Reference #: 02536

Department: Defense  
Document Title: ADP Technical Support Service  
RFP #: DASW0196R0007  
Document Type: RFP  
INPUT Reference #: 02537

Department: Defense  
Document Title: Annual Report to the President and the Congress  
Document Type: Budget/Report  
INPUT Reference #: 01011.1

Department: GAO  
Document Title: Financial Management: Challenges  
Document Type: GAO Report  
INPUT Reference #: AIMD-95-143

Department: GAO  
Document Title: Financial Management: Challenges Facing DOD  
Document Type: GAO Report  
INPUT Reference #: AIMD-96-1

Department: GAO  
Document Title: Financial Management  
Document Type: GAO Report  
INPUT Reference #: AIMD-95-204

Department: GAO  
Document Title: Managing For Results  
Document Type: GAO Report  
INPUT Reference #: AIMD-95-181

Department: GAO  
Document Title: Financial Management: Challenges  
Document Type: GAO Report  
INPUT Reference #: AIMD-95-146

Department: GAO  
Document Title: Agriculture's CFO Act Implementation  
Document Type: GAO Report  
INPUT Reference #: AIMD-95-238R

Department: GAO  
Document Title: Financial Management:  
Momentum Must be Sustained  
Document Type: GAO Report  
INPUT Reference #: AIMD-95-204

Department: GAO  
Document Title: Airport Improvement  
Program  
Document Type: GAO Report  
INPUT Reference #: RCED-96-86

Department: GAO  
Document Title: Environmental Protection  
Document Type: GAO Report  
INPUT Reference #: RCED-96-107

Department: GAO  
Document Title: Federal Research: Interim  
Assessment  
Document Type: GAO Report  
INPUT Reference #: RCED-96-93

Department: GAO  
Document Title: Airport Privatization: Issues  
Document Type: GAO Report  
INPUT Reference #: RCED-96-82

Department: GAO  
Document Title: Economic Espionage:  
Information on Threat  
Document Type: GAO Report  
INPUT Reference #: NSIAD-96-114

Department: GAO  
Document Title: Defense Health Care:  
TRICARE Progressing  
Document Type: GAO Report  
INPUT Reference #: HEHS-96-100

Department: GAO  
Document Title: Tax Administration: IRS'  
Fiscal Year 1996  
Document Type: GAO Report  
INPUT Reference #: GGD-96-99

Department: GAO  
Document Title: Governmentwide Travel  
Management: Federal Agencies  
Document Type: GAO Report  
INPUT Reference #: AIMD-96-60

Department: GAO  
Document Title: Budget Issues: Privatization  
Practices in Argentina  
Document Type: GAO Report  
INPUT Reference #: AIMD-96-55

Department: GAO  
Document Title: Abstracts of Reports and  
Testimony: FY 1995  
Document Type: GAO Report  
INPUT Reference #: OIMC-96-1A

Department: GAO  
Document Title: Indexes for Abstracts of Rpts.  
and Test.: FY 1995  
Document Type: GAO Report  
INPUT Reference #: OIMC-96-1B

Department: GAO  
Document Title: Tax Administration: IRS  
Faces Challenges  
Document Type: GAO Report  
INPUT Reference #: GGD-96-3

Department: GAO  
Document Title: Transforming The Civil  
Service  
Document Type: GAO Report  
INPUT Reference #: GGD-96-35

Department: GAO  
Document Title: DOT's Budget  
Document Type: GAO Report  
INPUT Reference #: RCED-96-88

Department: GAO  
Document Title: Earth Observing System:  
Cost and Research  
Document Type: GAO Report  
INPUT Reference #: NSIAD-96-116

Department: GAO  
Document Title: VA Health Care  
Document Type: GAO Report  
INPUT Reference #: HEHS-96-99

Department: GAO  
Document Title: Government Statistics:  
Document Type: GAO Report  
INPUT Reference #: GGD-96-93

Department: GAO  
Document Title: Managing For Results  
Document Type: GAO Report  
INPUT Reference #: GGD-96-79

Department: GAO  
Document Title: Tax Systems Modernization  
Document Type: GAO Report  
INPUT Reference #: AIMD-96-75

Department: GAO  
Document Title: CFO ACT Financial Audits:  
Increased Attention  
Document Type: GAO Report  
INPUT Reference #: AIMD-96-7

Department: GAO  
Document Title: Defense Business Operations  
Fund  
Document Type: GAO Report  
INPUT Reference #: AIMD-96-54

Department: GAO  
Document Title: Telecommunications  
Network  
Document Type: GAO Report  
INPUT Reference #: AIMD-96-33

Department: GAO  
Document Title: Small Business  
Administration: SBA Monitoring  
Document Type: GAO Report  
INPUT Reference #: OSI-96-3

Department: GAO  
Document Title: DOE Management  
Document Type: GAO Report  
INPUT Reference #: RCED-96-57

Department: GAO  
Document Title: Tax Administration  
Document Type: GAO Report  
INPUT Reference #: GGD-96-70

Department: GAO  
Document Title: Management Reform  
Document Type: GAO Report  
INPUT Reference #: GGD-96-69

Department: GAO  
Document Title: Defense Infrastructure:  
Budget Estimates  
Document Type: GAO Report  
INPUT Reference #: NSIAD-96-131

Department: GAO  
Document Title: Guidelines for the Use of  
Oral Presentations  
Document Type: Other Document  
INPUT Reference #: 01852

Department: GSA  
Document Title: Financial Management  
Systems Software  
RFP #: KEC94001  
Document Type: RFP  
INPUT Reference #: 12102

Department: GSA  
Document Title: Companies With GSA  
Schedules in Information Technology  
Document Type: Informational Document  
INPUT Reference #: 12103

Department: HUD  
Document Title: Multifamily Accounting  
RFP #: DU100C000018500  
Document Type: RFP  
INPUT Reference #: 14004



Department: HUD  
Document Title: Technical Assistance for  
HUD Subsidy Programs  
RFP #: DU100C000016341  
Document Type: RFP  
INPUT Reference #: 14005

Department: Interior  
Document Title: Earth Resources Observation  
System Technical Support  
RFP #: 1434CR97SS00001  
Document Type: RFP, BML  
INPUT Reference #: 15035

Department: Navy  
Document Title: Video Teletraining Network  
Services  
RFP #: N0014096R0869  
Document Type: RFP  
INPUT Reference #: 02299.09

Department: Navy  
Document Title: FIP DFAS-FSO Financial  
Integrated Systems Services  
RFP #: N0024496R8018  
Document Type: RFP  
INPUT Reference #: 02299.10

Department: Navy  
Document Title: Manufacturing Resources  
Planning II (MRPII)  
RFP #: N0025396R0011  
Document Type: RFP  
INPUT Reference #: 02299.11

Department: TVA  
Document Title: Information Technology  
Technical Services  
RFP #: YE164790  
Document Type: RFP  
INPUT Reference #: 06506

USIA  
Document Title: General Purpose ADP  
Equipment  
RFP #: IA2102S6234659Z  
Document Type: RFP  
INPUT Reference #: 28000

Department: U.S. Courts  
Document Title: DCN Hardware and Software  
RFP #: USCA96R001  
Document Type: RFP, BML  
INPUT Reference #: 08509

Carroll Publishing  
Document Title: State Directory, Executive,  
Legislative, Judicial  
Document Type: Directory  
INPUT Reference #: 01302.02

CFO Council  
Document Title: Federal Financial  
Management Status Rpt. & 5-Yr Plan  
Document Type: Other Document  
INPUT Reference #: 01849

CFO Council  
Document Title: Financial Management  
Systems Status Rpt. FY 1994  
Document Type: Other Document  
INPUT Reference #: 01850

Falk, Bennett  
Document Title: Internet Roadmap Second  
Edition 1994  
Document Type: Other Document  
INPUT Reference #: 01851

TechNews, Inc.  
Document Title: '95 Washington Technology  
Almanac  
Document Type: Directory  
INPUT Reference #: 01330

INPUT  
Document Title: Federal Financial  
Management Systems 1996  
Document Type: INPUT DOCUMENT  
INPUT Reference #: MM11-96

## Recent DPAs

### Agriculture

12/11/95 KAA-96-0008

For the acquisition of resources to support the Consolidated Farm Service Agency Support Services Contract. This letter responds to an APR of 11/21/95.

### Army

3/7/96 KAA-96-0040

For the acquisition of resources to provide support for NORTEL electronic switch systems at DoD locations worldwide. This letter responds to an APR of 2/26/96.

### Defense

1/20/96 KAA-96-0013

For the acquisition of resources for the DEIS II Program in the DoD by DISA. This letter responds to an APR of 12/6/95.

### Energy

3/13/96 KMA-96-0042

To acquire resources for the Telecommunications Integrator Services (TELIS) Project. This letter responds to an APR of 3/4/96.

### GSA

12/8/95 KAA-96-0012

To acquire support services using Defense's Army Directorate of Contracting at Fort

Huachuca, AZ as its contracting agent. This memo responds to an APR of 12/5/95.

2/7/96 KAA-96-0012(A)

For modification of the DPA on 12/8/95 to acquire support services using Defense's Army Directorate of Contracting at Fort Huachuca, AZ as its contracting agent. The purpose of the amendment is to delete Attachment A to the original DPA.

1/25/96 KAA-96-0019

Requests approval for FEDSIM/FSMC to acquire resources from Global Management Systems, Inc., using Defense's Army Directorate of Contracting at Fort Huachuca, AZ as its contracting agent. This memorandum responds to an APR of 12/18/95.

1/25/96 KAA-96-0020

Requests approval for FEDSIM/FSMC to acquire resources from International Data Products Corporation using Defense's Army Directorate of Contracting at Fort Huachuca, AZ as its contracting agent. This memorandum responds to an APR of 12/18/95.

1/25/96 KAA-96-0021

Requests approval FEDSIM/FSMC to acquire resources from Soza & Company, Limited, using Defense's Army Directorate of Contracting at Fort Huachuca, AZ, as its contracting agent. This memorandum responds to an APR of 12/18/96.

1/25/96 KAA-96-0022

Requests approval FEDSIM/FSMC to acquire resources from Government Micro Resources, Inc., using Defense's Army Directorate of Contracting at Fort Huachuca, AZ, as its contracting agent. This memorandum responds to an APR of 12/18/96.

1/25/96

KAA-96-0023

Requests approval FEDSIM/FSMC to acquire resources from Signal Corporation, using Defense's Army Directorate of Contracting at Fort Huachuca, AZ, as its contracting agent. This memorandum responds to an APR of 12/18/96.

3/5/96

KAA-96-0035

Requests approval for FEDSIM/FSMC to acquire resources from Software Surgery, Inc. using Defense's Army Directorate of Contracting at Fort Huachuca, AZ, as its contracting agent. This memorandum responds to an APR of 2/26/96.

3/5/96

KAA-96-0036

Requests approval for FEDSIM/FSMC to acquire resources from using Haynes and Associates, Inc. Defense's Army Directorate of Contracting at Fort Huachuca, AZ, as its contracting agent. This memorandum responds to an APR of 2/26/96.

3/5/96

KAA-96-0037

Requests approval for FEDSIM/FSMC to acquire resources from using Information Systems Support, Inc. Defense's Army Directorate of Contracting at Fort Huachuca, AZ, as its contracting agent. This memorandum responds to an APR of 2/26/96.

3/5/96

KAA-96-0038

Requests approval for FEDSIM/FSMC to acquire resources from using Diez Management Systems, Inc. Defense's Army Directorate of Contracting at Fort Huachuca, AZ, as its contracting agent. This memorandum responds to an APR of 2/26/96.

3/5/96

KAA-96-0039

Requests approval for FEDSIM/FSMC to acquire resources from using FC Business Systems Centers, Inc. Defense's Army Directorate of Contracting at Fort Huachuca, AZ, as its contracting agent. This memorandum responds to an APR of 2/26/96.

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## HHS

2/7/96

KMA-96-0034

To acquire resources for the FDA's Strategic Information Systems Technical Integration Resources (SISTIR) Project. This letter responds to an APR of 2/1/96.

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## Justice

12/20/95

KAA-96-0009

For exception to mandatory use of GSA's CLTS for the FBI Academy in Quantico, Virginia. This responds to your APR of 11/21/95.

2/22/96

KAA-96-0025

For exception use of GSA's CLTS for the FBI in Washington, DC. This letter responds to an APR of 1/30/96.

2/22/96

KAA-96-0027

For exception use of GSA's CLTS for the FBI in Newark, NJ. This letter responds to an APR of 1/30/96

2/22/96

KAA-96-0028

For exception use of GSA's CLTS for the FBI in Mobile, AL. This letter responds to an APR of 1/30/96.

2/22/96

KAA-96-0029

For exception use of GSA's CLTS for the FBI in Baltimore, MD. This letter responds to an APR of 1/30/96.



2/22/96 KAA-96-0030

For exception use of GSA's CLTS for the FBI in Fort Monmouth, NJ. This letter responds to an APR of 1/30/96.

2/22/96 KAA-96-0032

For exception use of GSA's CLTS for the FBI in Phoenix, AZ. This letter responds to an APR of 1/30/96.

2/22/96 KAA-96-0033

For exception use of GSA's CLTS for the FBI in Miami, FL. This letter responds to an APR of 1/30/96.

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## NASA

12/27/95 KAA-96-0014

To acquire resources for NASA's Space Flight Operations Contract Project. This letter responds to an APR of 12/12/95.

3/1/96 MKA-96-0041

To acquire resources for the NASA's Deep Space Network Project. This letter responds to an APR of 2/28/96.

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## State

12/22/95 KMA-92-0513(J)

For the modification of the DPA on 9/28/92 to acquire domestic telecommunications equipment and support. GSA is modifying the DPA for the acquisition of necessary telecommunications resources for years six through ten.

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## Transportation

12/20/95 KAA-95-0216(B)

For the modification of the DPA on 10/18/95 to acquire resources to support of Transportation s Information Technology Omnibus Procurement project. This letter responds to an APR of 12/13/95.

12/11/95 KAA-96-0010

To acquire resources for the FAA's Computer Technology Systems (FAACTS) Project. This letter responds to an APR of 11/21/95.

3/13/96 KAA-96-0043

To acquire resources for the FAA's En Route Engineering Software Services (ERESS) Project. This letter responds to an APR of 3/6/96.

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## Veterans Affairs

12/22/95 KAA-96-0006

For exception to mandatory use of GSA's CLTS for approval to acquire local telephone resources for the VA in Philadelphia, PA. Approval is granted for the acquisition of telecommunications hardware and software for 5 years and support services for 10 years.

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This newsletter is issued as part of INPUT's Federal IMPACT Program. If you have questions or comments on this newsletter, please call your local INPUT organization or Kevin Plexico at INPUT, 1921 Gallows Road, Suite 250, Vienna, VA 22182, (703) 847-6870

# Federal Newsletter

A Publication from INPUT's Federal Procurement Analysis Reports Service

Vol. IV, No. 6

June 1996

## Surprise! Desktop V is Protested

### Researcher's Corner

by *Scott P. Massey*

To the surprise of few, the Desktop V contracts awarded to Zenith Data Systems and Hughes Data Systems have been protested. On May 13, 1996 Sysorex filed a protest with the GSBICA (docket #13597-P) and GTSI has intervened on behalf of Sysorex. Consequently, a stop work order has been issued against both contracts.

In its protest, Sysorex claims that the Air Force's technical and cost evaluations are flawed and the Air Force's "best value" determination is irrational. Regardless of the reasons for the protest, vendors with GSA schedule contracts and government-wide PC

contracts are likely to benefit from the delays through increased sales volume.

How much residual revenue schedule contractors receive from the DOD depends largely on the amount of time required to resolve the disputes. The GSBICA is required to resolve a protest within 60 days of the date the protest is filed. While 60 days is not a meaningful amount of time in the government acquisition process, one need only look to the Desktop IV acquisition for indications of the delays that can result from such large-scale procurements.

The original RFP for the Desktop IV contract was released in July 1991. While the initial awards were made to Compuadd and Sysorex in November 1991, the program was protested five times before the awards to Zenith Data Systems and GTSI were finalized in February 1993.

The jury is still out on whether a similar stream of protests will impact the Desktop V program, but the program is not off to a good start. In 1994, when the acquisition cycle for Desktop V began, the Air Force labeled the program a "Fast Track Program." Since then, the government has spent over one year accepting comments from industry on draft RFPs and nine months in bid evaluations. If the empirical evidence from the Desktop IV acquisition and the delays already experienced in the Desktop V acquisition give any indication of what is to come, it could be

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another 2-12 months before the DOD begins ordering off of the Desktop V contracts.

Whatever the outcome, in the near term, companies holding GSA schedules and other government-wide PC contracts are likely to benefit from the delays. Given the current ease with which government agencies can purchase off of GSA schedule contracts, delays such as this may make the government think twice before moving forth with similar contracts in the long term.

## INPUT Notes

### INPUT's Federal Conference

The INPUT 1996 Federal Client Conference, *A Look Beyond: Government Technology in the Next Millennium*, is scheduled for Tuesday, June 18, 1996 at the Fairview Park Marriott in Falls Church, VA.

The agenda for this one day meeting focuses on information technology reform and changes affecting the federal government. It includes presentations by key government and administration officials highlighting issues which will drive the future relationship between government and private industry.

The preliminary agenda includes Virginia IT officials, agency representatives from the Postal Service, National Science Foundation, and NASA, as well as a panel of newly appointed chief information officers. Projected topics include such items as "The Electronic Government" and new operating paradigms within the Navy.

Also included will be a seminar designed to assist federal contractors in establishing and maintaining a presence in the commercial marketplace.

Finally, the presentation will conclude with INPUT's analysis of the marketplace and forecast for 1997-2001.

### Staff Notes

INPUT is pleased to welcome Tommy Young to the PAR development staff. Tommy will focus on analysis of Defense Department, GSA, USDA, Energy, US Courts, and Navy programs.

### Internet Service

INPUT always welcomes feedback about the weekly e-mail update service. Please feel free to comment or make suggestions by e-mailing owner-impact\_clients@inputgov.com.

## Reports and Profiles

Federal Financial Management Systems Market 1996-2001  
Federal Wireless Technology Market 1995-2000

### 1996 Reports In Development

Federal Imaging Market  
Federal Professional Services Market  
Federal Telecommunications Market

### 1996 Agency Profiles

USCG, GSA .....	June
Army, IRS .....	July
FCC, SSA .....	August



## Available Agency Profiles

GSA, February 1995  
 HCFA, March 1995  
 Army, March 1995  
 EPA, April 1995  
 Agriculture, April 1995  
 U.S. Postal Service, April 1995  
 IRS, April 1995  
 FAA, May 1995  
 NASA, May 1995  
 NIH, May 1995  
 Commerce, May 1995  
 Justice, May 1995  
 DISA, June 1995  
 Education, June 1995  
 PTO, June 1995  
 OPM, August 1995  
 Interior, August 1995  
 Air Force, September 1995  
 Labor, October 1995  
 SBA, October 1995  
 DFAS, November 1995  
 Navy, November 1995  
 CDC, December 1995  
 FEMA, December 1995  
 USAID, January 1996  
 EOP, January 1996  
 USCS, February 1996  
 USSS, February 1996  
 VA, March 1996  
 DOE, March 1996  
 FBI, April 1996  
 State, April 1996  
 TVA, May 1996  
 Postal Service, May 1996

# May Procurement Highlights

## Air Force

DT V V-01-163

On May 3, 1996, two awards for the Desktop V contract were made to Zenith Data Systems and Hughes Data Systems. Sysorex protested the award on May 13; a stop work order was subsequently issued.

DT V (8A) V-01-236

After a delay, the award for the 8(a) portion of the Desktop V contract is expected in mid-July 1996.

IC4I V-01-204

After a protest by SRA in December, the GAO ruled that Cordant's portion of the award was valid in April 1996. The other award was made to BTG on December 1, 1995.

POS V-01-261

An award for the Point of Sale Systems contract was made to Telecom Design Group on April 29, 1996. The contract has an estimated value of \$17 million.

ULANA II V-01-156

Currently, the Unified Local Area Network Architecture II appeal is due to be resolved by June 1996. The appeal follows the overturn of the TRW award due to flaws in the best-value analysis.

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## Agriculture

ICBS VI-05-054

After the Interagency Cache Business System's January RFI release, the contracting office has stated that there has been no "official" decision made on this opportunity. The RFI responses did not satisfy their requirements and they are looking at fulfilling them through in-house resources. A final decision regarding the program is expected in early June 1996.

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## Army

SHARP (SP) V-02-166

Bids for the Support Hardware and Automation Related Products (Specific Products) program are currently due on June 3, 1996. The contracting office hopes to make two awards by September.

SHARP (G) V-02-110

Bids for the Support Hardware Automation Related Products (Generic) procurement are due on May 31, 1996 with an award expected in September.

SHARP (M) V-02-167

Currently, the Support Hardware and Automation Related Products (Maintenance) program is on hold. The program is designed to provide maintenance to existing hardware purchased under the CHCS and DASH contracts as well as new hardware and software purchased under SHARP.

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## Commerce

CENSUS PC BUY VI-06-068

The Census Bureau has decided to use GSA Schedule purchases to fulfill the requirements of this contract. Therefore, this program has been deleted.

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## Defense

V-04G-013

An award for the SETA for National Military Command System program was made to Booz-Allen & Hamilton on April 26, 1996. The contract has an estimated value of \$32 million.

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## HHS

VII-08-137

The Imageworld draft RFP was released on May 3, 1996. The final RFP is expected in early June with bids due in early July. The contracting office hopes to make an award by late July.

CIOSP VII-08-139

An RFP for the Chief Information Officer Solutions and Partners program is expected in June 1996. An award should follow in September. Industry sources estimate the value of the contract at a minimum of \$100 million.

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## Justice

SPPE II VII-10-136

The contracting office has set aside the Special Purpose Processing Equipment II award for 8(a) competitors and is contemplating making an award to multiple vendors. Currently the program is on hold while future plans are evaluated.

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## Navy

NTOPS V-03-169

The contracting office made multiple awards for the New Technologies for Office and Portable Systems program on April 18, 1996 to Concept Automation and Cordant. The Concept Automation award is valued at \$98 million and the Cordant contract has an estimated value of \$108 million.

WSSA V-03-170

The protest on the Weapons System Software Activity contract was awarded to EER Systems in October 1995. A protest filed soon thereafter was resolved in favor of the government in February and EER's work began on April 1, 1996.

---

## SSA

IWS/LAN I VII-08A-006

The contracting office accepted BAFOs for the IWS/LAN Workstation Acquisition on May 15, 1996. They expect to award Phase I of this opportunity on June 14 but the award may be delayed due to a lack of funding.

---

## Transportation

ETMS VII-11-090

The Enhanced Traffic Management System program has been deleted. The contracting office has stated that requirements will be fulfilled under the ATMSDI opportunity once the current contract has expired.

WAAS VII-11-098

An interim award for the GPS Wide Area Augmentation System has been made to Hughes. The FAA plans to finalize the Hughes award by November.

CTAS VII-11-127

The Center/TRACON Automation System procurement has been canceled. The contracting office has stated that these requirements will be fulfilled through the ATMSDI opportunity.

ATMSDI VII-11-138

On April 16, 1996, a draft Screening Information Request (SIR) was released. Comments are due on June 16. The contracting office expects to release a final SIR for the Air Traffic Management System Development and Integration program by first quarter FY97.



## Recent Library Acquisitions

Department: Air Force  
Document Title: SES Services  
RFP #: F0863596R0017  
Document Type: Q & A, Info To Offerers  
INPUT Reference #: 02099.19

Department: Air Force  
Document Title: Engineering and Technical Support  
RFP #: F2560096R5003  
Document Type: RFP  
INPUT Reference #: 02099.11

Department: Air Force  
Document Title: SORELP  
Document Type: Industry Briefing Slides  
INPUT Reference #: 02099.20

Department: Air Force  
Document Title: TDC ICAP  
RFP #: F1962895R0069  
Document Type: RFP  
INPUT Reference #: 02099.21

Department: Air Force  
Document Title: Desktop IV  
Document Type: Contract & Modifications  
INPUT Reference #: 32020.017  
Contractor: Zenith Data Systems  
Contract #: F0162093D0002

Department: Army  
Document Title: Development of the Geographic Information System  
RFP #: DACA8796R0005  
Document Type: RFP, BML  
INPUT Reference #: 02199.08

Department: Army  
Document Title: Information Mission Area  
RFP #: DAAH0196R0022

Document Type: RFP  
INPUT Reference #: 02199.10

Department: Army  
Document Title: SETA Research and Development  
RFP #: DASG6096R0005  
Document Type: DRFP, BML, Conf. Notes  
INPUT Reference #: 02199.09

Department: Commerce  
Document Title: Hardware and Software Support Services  
RFP #: 52SBNB5C8505  
Document Type: RFP  
INPUT Reference #: 04207

Department: Commerce  
Document Title: Hydrometeorological Techniques and Apps. Support  
RFP #: 52DDNW690002  
Document Type: RFP  
INPUT Reference #: 04319

Department: Exec. Off. of Pres.  
Document Title: Software Systems Support  
RFP #: EOPOA9607  
Document Type: RFP  
INPUT Reference #: 08002

Department: GSA  
Document Title: Federal Procurement Report FY 1995 through 4th qtr.  
Document Type: Informational Document  
INPUT Reference #: 01853

Department: HHS  
Document Title: Image World  
Document Type: DSOW  
INPUT Reference #: 13407

Department: HHS  
Document Title: SISTIR  
RFP #: 223975510  
Document Type: RFP  
INPUT Reference #: 13015

Department: HHS  
Document Title: Medicare Transaction System  
Document Type: Contract & Modifications  
INPUT Reference #: 32132.005  
Contractor: GTE  
Contract #: 50094BP02

Department: HHS  
Document Title: LAN/PC Support  
RFP #: 213960015  
Document Type: RFP, BML  
INPUT Reference #: 13137

Department: HHS  
Document Title: MTS Operating Site  
RFP #: HCFA9206MTSOS  
Document Type: RFP, BML  
INPUT Reference #: 13222

Department: HUD  
Document Title: Multifamily Accounting  
RFP #: DU100C000018500  
Document Type: RFP  
INPUT Reference #: 14006

Department: Justice  
Document Title: Case  
Management/Operations Support Services  
RFP #: JOCIV96R0013  
Document Type: RFP  
INPUT Reference #: 16035

Department: Justice  
Document Title: FBI: Facts and Figures  
Document Type: Informational Document  
INPUT Reference #: 16100

Department: Justice  
Document Title: JCON SI  
Document Type: Contract  
INPUT Reference #: 32160.021  
Contractor: GTE  
Contract #: 6CNJMD0049

Department: Justice  
Document Title: Quality Assurance Services  
RFP #: JSJMD96R0026  
Document Type: RFP  
INPUT Reference #: 16036

Department: Justice  
Document Title: Automated Litigation  
Support Services  
RFP #: JSJMD96R0020  
Document Type: RFP  
INPUT Reference #: 16037

Department: Justice  
Document Title: Records Management  
Support  
RFP #: JOCIV96R0001  
Document Type: RFP  
INPUT Reference #: 16038

Department: Navy  
Document Title: Partial Aircrew Coordination  
Trainer (PACT)  
RFP #: N0001995R0019  
Document Type: RFP  
INPUT Reference #: 02299.12

Department: NSA  
Document Title: Information Systems  
Security Products Catalogue  
Document Type:  
INPUT Reference #: 02601

Department: State  
Document Title: State Infrastructure PC-LAN  
RFP #: S-OPRAQ96R0554  
Document Type: DRFP  
INPUT Reference #: 23015

Department: State  
Document Title: Telephone Directory March  
1996  
Document Type: Directory  
INPUT Reference #: 23000

Department: Transportation  
Document Title: FAA Contract list  
Document Type: Informational Document  
INPUT Reference #: 24272

Department: Transportation  
Document Title: 1996 Aviation System  
Capital Investment Plan  
Document Type: Informational Document  
INPUT Reference #: 24000.03

Department: Transportation  
Document Title: Information Technology  
Support Services  
RFP #: DTFH6196R0046  
Document Type: RFP  
INPUT Reference #: 24013

Department: Transportation  
Document Title: CADSS  
RFP #: DTFH6196R00066  
Document Type: RFP, BML  
INPUT Reference #: 24014

Department: Treasury  
Document Title: TIPPS  
Document Type: Task Orders  
INPUT Reference #: 32255.018  
Contractor: Unisys  
Contract #: TIR950067

Department: Treasury  
Document Title: DPS  
Document Type: Contract & Modifications  
INPUT Reference #: 32255.019  
Contractor: IBM/Loral  
Contract #: TIR940028

## Recent DPAs

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### Air Force

4/29/96 KAA-96-0044

For the Air Force Management Information Systems Technical Support (MISTS-II) project. This letter responds to an APR dated 4/12/96.

4/16/96 KMA-85-0011(G)

For the acquisition of resources in support of the Air Force Headquarters Systems Replacement Program (HSRP). For administrative changes to the contract and the transfer of the DPA on 12/4/84 from DISA to the Air Force.

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### Defense

5/9/96 KAA-90-0071(E)

For the modification of the DPA on 1/26/90 to acquire resources in support of the Joint Staff Automation for the Nineties (JSAN) project. This letter responds to an APR of 5/2/96.

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### HHS

4/16/96 KAA-92-0529(C)

For the modification of the DPA on 4/26/96 to acquire resources in support of HCFA's Medicare Transaction System. This letter responds to the APR of 4/12/96

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This newsletter is issued as part of INPUT's Federal IMPACT Program. If you have questions or comments on this newsletter, please call your local INPUT organization or Kevin Plexico at INPUT, 1921 Gallows Road, Suite 250, Vienna, VA 22182, (703) 847-6870



# Federal Newsletter

A Publication from INPUT's Federal Procurement Analysis Reports Service

Vol. IV, No. 7

July 1996

## The Future of IT Procurement

### Researcher's Corner

by *Brian M. Haney*

The future poses many challenges to those working in the information technology marketplace. Perhaps one of the most rapidly changing areas is the way in which government acquires and maintains its technology resources, as well as what the requirements for these resources will be. The federal procurement process is constantly evolving, and the next few years will promise changes more drastic than the industry has witnessed in decades.

At INPUT's recent Federal Conference, two leading industry experts addressed issues

concerning the fate of the technology procurement process. John Douglas, Assistant Secretary of the Navy for Research and Acquisition, pointed out that, for many years, technology was always focused on our nation's defense. Our enemy was the same for nearly fifty years - the Soviet Union. This made it easy for manufacturers to focus. It was always easy to predict where this technology would be aimed. In recent times, however, we have seen a "paradigm shift" in national security. Now, the enemy is often unclear--or multiple. This means that contractors must be more aware of the needs of their buyers and must present more creative approaches to fulfilling the government's needs.

Frank McDonough of the General Services Administration, believes that product marketing will be more critical to vendors than ever before. The challenges are exacerbated by an increasing demand for a low-cost government. Contractors must be able to provide the most cost-effective product to satisfy government technology requirements, as well as to fit into its budgetary constraints.

Recently, federal contractors have witnessed a transformation in the federal procurement process. With the repeal of the Brooks Act, control over technology acquisition has been

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shifted into the hands of the agencies themselves, and away from GSA's oversight. As a result, many of the programs that used to be handled by GSA are now being disabled. Regulations such as the FIRMR, which provided governmentwide standards for acquisition, are now being replaced by programs designed to assist agencies in conducting their own procurements. GSA will continue its Trail Boss program, which educates those involved with procurement and information resource management. FEDCAC will also continue its acquisition support role and the improvement of electronic procurement. Also, GSA's *1000 x 2000* program, which seeks to educate 1000 mid-level managers by the year 2000, will continue. Overall, GSA plans to assist OMB and IT management committees in the long-run in order to provide a smooth shift to agency-centric procurement. This will be done through the transfer of expertise and the educational development of IT leaders.

In terms of the actual procurement process, Mr. McDonough predicts a move toward schedule buys over large-scale procurements. A schedule buy is more cost-effective, flexible, and provides the government with an expedient method for obtaining required technology. In a time when technology is rapidly evolving, most requirements for this technology change on a daily basis. It must be the agency's goal to quickly and inexpensively procure necessary systems.

John Douglas sees this requirement as a call for more commercial-off-the-shelf (COTS) technology, which is both cost-efficient and quick to install. COTS equipment is also often easier to maintain than traditional legacy systems. Maintenance is something that will need to be carried out by the manufacturer. Mr. Douglas stressed that systems are purchased and installed to perform certain tasks. It is the agency's goal

to accomplish these tasks and it should be the contractor's goal to provide and maintain a system that will support the government's needs. The system then becomes virtually "transparent" to the user and allows the user to focus more on the actual task. Therefore, with fewer large-scale procurements, marketing and creativity will be crucial to vendors. Procurement budgets have steadily declined which raises competition among competing providers. It is not just the product, but also the packaging, distribution, and promotion that will sell in the future.

All of these trends point to a future government that is moving closer to the image of an actual "corporation". Government is facing a future of change and is rapidly becoming more businesslike in an attempt to keep up technologically. The legacy system is being replaced by technology that can change and adapt to the time--as well as performing vast numbers of operations in the most timely, and cost-effective manner. The future provides a grim picture for the large-scale procurement, yet contractors who successfully face the challenges will be those who gain both the respect and business of the government.

## INPUT Notes

### Federal Imaging Market, 1996-2001

INPUT is releasing its latest Market Analysis Report this month. This report, *Federal Imaging Market, 1996-2001*, examines the federal market for imaging technology and how it will grow over the next five years. Vendors will gain insight into important issues such as:



- Existing and developing imaging technology requirements in the federal government,
- Present and future means by which the federal government plans to acquire imaging technology,
- Driving and inhibiting factors in the federal imaging market,
- Federal government perceptions of the advantages and disadvantages of imaging technology implementation, and
- INPUT's five year forecast of the federal imaging market and its submodes.

If your organization is interested in taking advantage of this valuable resource, please contact INPUT's Jeremiah Cunningham at (703) 847-6870.

## Federal Conference

INPUT would like to extend its thanks to all those who attended the Federal Conference on June 18. Your participation helped to make the day a success.

## Past Performance Evaluation Workshop

INPUT, in conjunction with Washington Technology and Computer Marketing Associates, Inc., will host a workshop on Wednesday, July 17, 1996 aimed at educating vendors on how to handle the new past performance evaluations in the federal market. Agency managers will address successful performance evaluation, how to package it, and pitfalls that vendors might encounter in doing so. The speaker panel will

include specialists from NIH, DFAS, the Department of Commerce, and Dun & Bradstreet Information Services.

Interested parties should contact Melissa Smith at CMA, (703) 917-7718.

## FAIT Modifications

The FAIT Data has gone through some recent changes in an effort to streamline the searching process. In the past, companies were often listed multiple times. This has been remedied with the new release and, in most cases, the user will now find one prime contractor entry in the search window. We hope this change will solve much of the confusion and problems this may have been causing.

## Reports and Profiles

Federal Financial Management Systems Market 1996-2001

Federal Wireless Technology Market 1995-2000

Federal Imaging Market, 1996-2001

## 1996 Reports In Development

Federal Professional Services Market

Federal Telecommunications Market

## 1996 Agency Profiles

Army, IRS ..... July

FCC, SSA ..... August

FAA, NASA ..... September



## Available Agency Profiles

GSA, February 1995  
 HCFA, March 1995  
 Army, March 1995  
 EPA, April 1995  
 Agriculture, April 1995  
 U.S. Postal Service, April 1995  
 IRS, April 1995  
 FAA, May 1995  
 NASA, May 1995  
 NIH, May 1995  
 Commerce, May 1995  
 Justice, May 1995  
 DISA, June 1995  
 Education, June 1995  
 PTO, June 1995  
 OPM, August 1995  
 Interior, August 1995  
 Air Force, September 1995  
 Labor, October 1995  
 SBA, October 1995  
 DFAS, November 1995  
 Navy, November 1995  
 CDC, December 1995  
 FEMA, December 1995  
 USAID, January 1996  
 EOP, January 1996  
 USCS, February 1996  
 USSS, February 1996  
 VA, March 1996  
 DOE, March 1996  
 FBI, April 1996  
 State, April 1996  
 TVA, May 1996  
 Postal Service, May 1996  
 USCG, June 1996  
 GSA, June 1996

# June Procurement Highlights

## Air Force

DT V V-01-163

On May 3, 1996, two awards for the Desktop V contract were made to Zenith Data Systems and Hughes Data Systems. Sysorex and GTSI protested the award on May 13. The protest was later dismissed and delivery orders began on June 17.

IC4I V-01-204

After a protest by SRA in December, the GAO ruled that Cordant's portion of the award was valid in April 1996, however, a third contract was awarded to SRA on May 17, 1996. This award was protested by Infotec Development, Inc. challenging SRA's small-business status. On June 13, SRA was issued the contract after GSBICA deemed them eligible as a small business.

## Army

PORTABLES 2 V-02-123

A release of the Portables 2 RFP is expected in late July 1996. The award is planned for December so as not to discontinue service after the January 1997 expiration of Portables 1. Portables 2 will include laptops, notebooks, personal digital assistants (PDAs), office automation software, and peripherals.

PC 2

V-02-121

The Personal Computer 2 acquisition is designed to provide desktop personal computers, peripherals, and office automation software to the Department of the Army. The contracting office released the RFP on June 10, 1996. Bids will be due on July 10. The award is expected in December to avoid any lapse in service after the expiration of PC 1.

SHARP (G)

V-02-110

Bids for the Support Hardware Automation Related Products (Generic) procurement are due on July 19, 1996 with an award expected in September.

WS-1

V-02-134

After the May awards to Hewlett Packard and Digital, the Army Workstation-1 program was protested on June 5 by Sun Microsystems. A hearing on the merits was scheduled for July 10-16. No further information has been released.

TECOM FIP SUPPORT SERVICES V-02-151

The contracting office released an RFP for the TECOM FIP Support Services program on May 23, 1996. Bids are now due on July 15, 1996 with an award expected in September.

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## Commerce

AAO/SEASS

VI-06-081

The AWIPS Acquisition Office Support contract was awarded to Hughes STX on June 3, 1996. The contract has an estimated value of \$4.4 million.

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## Defense

DSSG

V-04G-036

DISN Support Services - Global, with a value not to exceed \$2 billion, was awarded to Boeing on June 12, 1996.

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## Navy

PAS/SDS

V-03-215

The Pay/Personnel Administration Support Systems - Source Data Systems Maintenance contract was awarded to Sylvest Management Systems Corp. in April 1996. The contract has an estimated value of \$13 million.

NAVDESK

V-03-217

The RFP for the Navy Desktop program is currently expected to be released in October 1996. NISMC estimates that this program will be worth \$400-\$500 million.

VIVID

V-03-269

Comments for the Voice, Video, and Data Communications program were due on June 17. The contracting office anticipates an RFP release in August with an award in January 1997.

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## SSA

IWS/LAN I

VII-08A-006

The IWS/LAN Workstation Acquisition I was awarded to Unisys on June 17, 1996. The contract has an estimated value of \$185.2 million. There will be a second phase in 1998, overlapping the first by one year and acting as a follow-on. INPUT is tracking this opportunity as VII-08A-007.

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## State

SII-PC/LAN

VII-09C-025

The RFP for the State Information Infrastructure-PC/LAN is due to be released in late July 1996 with bids due in August. INPUT anticipates the award of this opportunity by March 1997.

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## Transportation

FAATSAT

VII-11-049

The Telecommunications Satellite Program was awarded to MCI Communications on June 13, 1996. The contract has an estimated value of \$164.8 million.

ITOP

VII-11-118

The contracting office awarded the Information Technology Omnibus Procurement to multiple vendors on May 24, 1996. INPUT's PAR contains all prime and subcontractor information.

FIP SUPPORT SERVICES

VII-11-131

The contracting office released the initial Screening Information Request (SIR) for the FIP Support Services program on June 12. Responses to the SIR are due on June 28. INPUT anticipates an award in December.

## Recent Library Acquisitions

Document Title: Federal Regional Yellow Book, Summer 1996  
Document Type: DIRECTORY  
INPUT Reference #: 01312.010

Document Title: Federal Acquisition Reform Act of 1995 (PL 104-106)

Document Type: LEGISLATION

INPUT Reference #: 01700.18

Document Title: IT Management Reform Act of 1996

Document Type: LEGISLATION

INPUT Reference #: 01700.19

Department: Agriculture

Document Title: LAN-SAP

RFP #: 00961022

Document Type: BIDDERS MAILING LIST

INPUT Reference #: 03032

Department: Army

Document Title: TECOM FIP Support Services

RFP #: DAAD0596R0005

Document Type: RFP

INPUT Reference #: 02199.11

Department: Army

Document Title: Development of the Geographic Information System

RFP #: DACA8796R0015

Document Type: RFP

INPUT Reference #: 02199.12

Department: Army

Document Title: Simulation Center Support Services

RFP #: DASG6096R0004

Document Type: RFP, BML

INPUT Reference #: 02199.13

Department: Defense

Document Title: Atlas/Data Abstract for U.S. & Selected Areas '94

Document Type: Atlas/Data Abstract

INPUT Reference #: 02400.615

Department: Defense

Document Title: DoD Manpower Statistics

Document Type: MANPOWER STATISTICS

INPUT Reference #: 02400.616



Department: Defense  
Document Title: DOD IT Budget FY 97  
Document Type: BUDGET  
INPUT Reference #: 01003.3

Department: GAO  
Document Title: DEFENSE  
PROCUREMENT: E-Systems' Reporting  
Document Type: GAO REPORT  
INPUT Reference #: OSI-96-6

Department: GAO  
Document Title: DEFENSE  
INFRASTRUCTURE: Costs Projected  
Document Type: GAO REPORT  
INPUT Reference #: NSIAD-96-174

Department: GAO  
Document Title: FEDERALLY FUNDED R&D  
CENTERS  
Document Type: GAO REPORT  
INPUT Reference #: NSIAD-96-54

Department: GAO  
Document Title: TACTICAL INTELLIGENCE  
Document Type: GAO REPORT  
INPUT Reference #: NSIAD-96-71

Department: GAO  
Document Title: DEFENSE DEPOT  
MAINTENANCE  
Document Type: GAO REPORT  
INPUT Reference #: NSIAD-96-166

Department: GAO  
Document Title: INTERNAL REVENUE  
SERVICE: Results of Nonfiler  
Document Type: GAO REPORT  
INPUT Reference #: GGD-96-72

Department: GAO  
Document Title: FEDERAL DOWNSIZING:  
The Costs and Savings  
Document Type: GAO REPORT  
INPUT Reference #: GGD-96-63

Department: GAO  
Document Title: CONCESSIONS  
CONTRACTING: Governmentwide Rates  
Document Type: GAO REPORT  
INPUT Reference #: GGD-96-86

Department: GAO  
Document Title: FEDERAL DOWNSIZING  
Document Type: GAO REPORT  
INPUT Reference #: GGD-96-124

Department: GAO  
Document Title: TAX SYSTEMS  
MODERNIZATION: Progress  
Document Type: GAO REPORT  
INPUT Reference #: GGD-96-123

Department: GAO  
Document Title: DEFENSE  
COMMUNICATIONS: White House  
Document Type: GAO REPORT  
INPUT Reference #: NSIAD-96-168

Department: GAO  
Document Title: INFORMATION SECURITY:  
Computer Attacks  
Document Type: GAO REPORT  
INPUT Reference #: AIMD-96-92

Department: GAO  
Document Title: WEATHER FORECASTING:  
Recommendations  
Document Type: GAO REPORT  
INPUT Reference #: AIMD-96-74

Department: GAO  
Document Title: CUSTOMS SERVICE  
MODERNIZATION  
Document Type: GAO REPORT  
INPUT Reference #: AIMD-96-57

Department: GAO  
Document Title: DEFENSE  
INFRASTRUCTURE: Budget Estimates  
Document Type: GAO REPORT  
INPUT Reference #: NSIAD-96-131

Department: GAO  
Document Title: INFORMATION SECURITY:  
Computer Attacks  
Document Type: GAO REPORT  
INPUT Reference #: AIMD-96-84

Department: GAO  
Document Title: ENERGY R&D:  
Observations on DOE's Success  
Document Type: GAO REPORT  
INPUT Reference #: RCED-96-133

Department: GAO  
Document Title: TRANSPORTATION  
INFRASTRUCTURE  
Document Type: GAO REPORT  
INPUT Reference #: RCED-96-131

Department: GAO  
Document Title: U.S. FOREST SERVICE:  
Fee System  
Document Type: GAO REPORT  
INPUT Reference #: RCED-96-84

Department: GAO  
Document Title: DEFENSE DEPOT  
MAINTENANCE: DOD's Policy Report  
Document Type: GAO REPORT  
INPUT Reference #: NSIAD-96-165

Department: GAO  
Document Title: TAX POLICY AND  
ADMINISTRATION: Review  
Document Type: GAO REPORT  
INPUT Reference #: GGD-96-43

Department: GAO  
Document Title: Reports and Testimony: May  
1996  
Document Type: GAO REPORT  
INPUT Reference #: OPA-96-8

Department: GSA  
Document Title: WITS  
Document Type: PROPOSAL  
INPUT Reference #: 32120.010  
Contractor: Bell Atlantic  
Contract #: GS00K89AD0011

Department: HHS  
Document Title: NLM LAN and Data  
Communications Systems  
RFP #: NLM96107RMC  
Document Type: RFP, BML  
INPUT Reference #: 13138

Department: HHS  
Document Title: Strategic Information  
Systems Technical Integration  
RFP #: 223975510  
Document Type: RFP  
INPUT Reference #: 13016

Department: HHS  
Document Title: Cancer Information Analysis  
and Tracking  
RFP #: NCICO6101777  
Document Type: RFP  
INPUT Reference #: 13408

Department: Justice  
Document Title: Case Management Support  
Services  
RFP #: JOCIV96R0013  
Document Type: RFP  
INPUT Reference #: 16039

Department: Transportation  
Document Title: ITS Program Assessment  
Support  
RFP #: DTFH61RR00077  
Document Type: RFP, BML  
INPUT Reference #: 24015

## Recent DPAs

### Army

5/29/96 KMA-92-0206(C)

For modification of the DPA provided on 9/10/92 to acquire resources in support of the Army's Technical Support Services for Automated Information Systems (TSS/AIS) project. This letter responds to an APR on 5/17/96.

5/16/96 KAA-96-0045

For the Army Personal Computer-2 (PC-2) project. This letter responds to an APR from 5/9/96.

5/23/96 KAA-96-0046

For the Strategic Business Process Reengineering (SBPR) acquisition. This letter responds to an APR on 5/14/96.

### Defense

4/27/95 KMA-94-0531(A)

For a change of the contracting officer for the DPA on 11/2/94 for the acquisition of hardware, software, services and support services for DFAS' infrastructure. This letter responds to an APR of 4/25/95.

### Justice

4/27/95 KAA-95-0138

For the acquisition of support services for the Consolidated Asset Tracking System (CATS). This letter responds to an APR of 3/24/95.

4/28/95

KAA-95-0152

For the acquisition of equipment, software, and support services to augment an existing high speed (T1) data communication system to support the administrative and investigative databases of the FBI. This letter responds to an APR of 4/10/95.

### NASA

5/1/95 KMA-92-0354(B)

For the modification of the DPA on 5/24/94 to acquire resources for the Langley Research Center (LaRC) Central Computing Resources Project (LCCRP). The Trail boss is changed from Mr. John Sansom to Mr. Samuel A. McPherson III.

5/1/95 KMA-93-0059(B)

For the modification of the DPA on 10/12/94 to acquire resources for the Earth Observing System (EOS) Data and Operation System (EDOS) at Goddard Space Flight Center (GSFC). The Trail boss is changed from Mr. William H. Stallings, III to Mr. Charles D. Benjamin.

4/14/95 KAA-95-0134

For the acquisition of support services to support the Ames Research Center (ARC). This letter responds to an APR of 3/21/95.

### National Science Foundation

5/10/95 KAA-95-0161

For the acquisition of support services for the NSF's Information Systems Support Services Program. This letter responds to an APR of 5/9/95.



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**NRC**

5/3/95 KAA-94-0015(A)

For the modification of an exception to the mandatory use of GSA's Consolidated Local Telecommunications Service (CLTS) for the NRC's Agency-wide Local Exchange Carrier Services (ALECS). This letter responds to the APR of April 17, 1995.

---

**State**

5/11/95 KMA-92-0513(G)

For the modification of the DPA on 9/28/92 to acquire domestic telecommunications equipment and support. This letter responds to the APR of 3/27/95.

5/8/95 KAA-95-0160

For the acquisition of telecommunication resources for State's Diplomatic Telecommunications Services Program Office. This letter responds to an APR of 2/8/95.

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**Transportation**

4/27/95 KMA-87-0354(B)

For the modification of the DPA on 7/1/87 to acquire resources in support the five segments of the FAA's Advanced Automation System (AAS). Authority for the ACCC and TAAS segments of AAS is canceled. Authority is granted to acquire Federal resources for ISSS, renamed DSR, and TCCC. PAMRI has already been completed

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**Treasury**

5/9/95 KMA-84-0593(F)

For the modification of the DPA on 10/28/84 to acquire resources in support of the Consolidated Data Network. This letter responds to an APR of 4/18/95.

5/9/95 KMA-93-0420(A)

For the modification of the DPA on 8/23/93 to acquire resources in support of the USCS. This letter responds to an APR of 4/27/95.

5/9/95 KMA-94-0430(A)

For the modification of the DPA on 9/6/94 to acquire resources in support of the USCS' data center in Newington, Virginia. This letter responds to an APR of 5/3/95.

4/28/95 KAA-95-0157

For the acquisition of resources to support the IRS' Electronic Fraud Detection System. This letter responds to an APR of 4/20/95.

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**TVA**

5/9/95 KAA-95-0159

For the acquisition of hardware, software, and support services for the Sequoyah Integrated Computer System. This letter responds to an APR of 5/2/95.

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# Federal Newsletter

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Vol. IV, No. 8

August 1996

## SIC Codes to be "NAFTA-ized"

### Researcher's Corner

by Tommy R. Young

Under the provisions of the North American Free Trade Agreement (NAFTA), the 50-year old, four-digit Standard Industrial Classification (SIC) system, which divides business enterprises into ten broad industry specific categories, will be replaced by the North American Industry Classification System (NAICS), tentatively scheduled for introduction in 1997.

The new NAICS structure, outlined in a series of *Federal Register* notices, is designed to improve uniformity and comparability of the statistical classification standards underlying

all establishment-based federal economic analysis. This harmonization of common industry definitions, proposed by the governments of the United States, Canada and Mexico, will reflect the global movement towards a services-based economy.

The SIC system, which is managed by the Office of Management and Budget (OMB), is used by all federal agencies to collect, classify and tabulate business data on a comparable basis. Current criticisms of the SIC system include its lack of a uniform conceptual foundation, failure to reflect structural changes in our economy since the 1930s, lack of international comparability and the failure to emphasize emerging information technologies and services.

This is not the first time the SIC system has been revised; however, it may prove to be the most controversial. The last revision occurred in 1987, when the Census Bureau undertook what *The Washington Post* called "A modest rewrite to reflect the emerging services sector." Then in 1992, the OMB established the Economic Classification Policy Committee (ECPC) to conduct a "fresh slate" review of classification systems used for statistical purposes.

After the passage of NAFTA, the ECPC has worked with Statistics Canada and Mexico's National Institute of Statistics, Geography,

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and Information (INEGI) to agree on the core concepts for the new NAICS. The three key concepts include:

- International Comparability -- The current SIC system was not designed to be compatible with systems of other countries and users have stressed the importance of international comparability to conduct reliable statistical analysis across industries as well as borders.
- Product-Oriented Concept -- Uses of industry statistics often require that data on outputs and inputs be used together. The NAICS classifications will be based on a production-oriented or supply-based conceptual framework (i.e., use of similar production processes or production technologies).
- Emphasize New Industries -- Existing classifications are weakest for emerging industries, services and providers of advanced technologies. The NAICS will develop improved classifications for these industries by utilizing a production-oriented concept.

Current discussion revolves around whether to implement a 5-character, alphanumeric, or a 6-character, all numeric coding system. There are obvious advantages and disadvantages to each system, such as the ease of use of the 6-character, all numeric coding system. This ease of use, however, will mean decreased flexibility when expanding or adding new industry sectors. The 5-character, alphanumeric system, on the other hand, has the ability to handle a large number of new or unique industry codes, but the system is expected to impose substantially higher data entry costs and to increase the likely number of user errors.

The new classification system was expected to be implemented by January 1997; however, it has been delayed due to the large number of

industry comments and complaints. According to Carole A. Ambler, head of the Bureau of Census' ECPC, it will be some time before the final system presented to industry is actually adopted. "We had hoped to have the system in place at the start of 1997; however, now we expect to release the final SIC system by January 1997, and we hope to have system implemented by mid-1997," Ambler concluded.

## INPUT Notes

### Federal Imaging Market, 1996-2001

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- Existing and developing imaging technology requirements in the federal government,
- Present and future means by which the federal government plans to acquire imaging technology,
- Driving and inhibiting factors in the federal imaging market,
- Federal government perceptions of the advantages and disadvantages of imaging technology implementation, and
- INPUT's five year forecast of the federal imaging market and its submodes.

Interested parties please contact INPUT's Jeremiah Cunningham at (703) 847-6870.



## Reports and Profiles

Federal Financial Management Systems Market 1996-2001  
 Federal Wireless Technology Market 1995-2000  
 Federal Imaging Market, 1996-2001

### 1996 Reports In Development

Federal Professional Services Market  
 Federal Telecommunications Market

### 1996 Agency Profiles

Commerce, SSA.....August  
 FAA, NASA .....September  
 USDA, DISA.....October

### Available Agency Profiles

HCFA, March 1995  
 EPA, April 1995  
 Agriculture, April 1995  
 FAA, May 1995  
 NASA, May 1995  
 NIH, May 1995  
 Commerce, May 1995  
 Justice, May 1995  
 DISA, June 1995  
 Education, June 1995  
 PTO, June 1995  
 OPM, August 1995  
 Interior, August 1995  
 Air Force, September 1995  
 Labor, October 1995  
 SBA, October 1995

DFAS, November 1995  
 Navy, November 1995  
 CDC, December 1995  
 FEMA, December 1995  
 USAID, January 1996  
 EOP, January 1996  
 USCS, February 1996  
 USSS, February 1996  
 VA, March 1996  
 DOE, March 1996  
 FBI, April 1996  
 State, April 1996  
 TVA, May 1996  
 Postal Service, May 1996  
 USCG, June 1996  
 GSA, June 1996  
 Army, July 1996  
 IRS, July 1996

## July Procurement Highlights

### Air Force

SOFTWARE ENG. SUPPORT V-01-257

This contract was awarded to Tybrin Corporation on June 20, 1996. The contract has an estimated value of \$98 million.

### Army

PC 2 V-02-121

Bids for the Personal Computer 2 program were due on July 10, 1996. The contracting office expects to make an award by December in order to continue service after the expiration of the PC 1 contract.

## PORTABLES 2

V-02-123

The contracting office hopes to release an RFP for this opportunity on August 2, 1996. Bids will be due on September 16, 1996. The award is expected in December.

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**Defense**

## DEIS II

V-04G-052

Six awards were made on July 5, 1996 for the Defense Enterprise Integration Services II contract. The awardees are as follows: BDM Engineering Services, Lockheed Martin Services Inc., Electronic Data Systems, Computer Sciences Corporation, Unisys, and Boeing Information Services. All contracts have estimated values of \$500 million.

## DISC

V-04M-001

The DREN Inter-Site Services contract was awarded to AT&T on July 11, 1996. AT&T's contract has an estimated value of \$430 million.

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**GSA**

## ADP SUPPORT SERVICES

VIII-14-050

The ADP Support Services contract was awarded to CTA on July 15, 1996. The contract has an estimated value of \$30 million.

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**HHS**

## NLM LAN &amp; DATA

VII-08-134

Bids for the NLM LAN and Data Communications Support contract were due on July 8, 1996. INPUT anticipates an award for this opportunity in September.

## IMAGEWORLD

VII-08-137

Bids for the Imageworld contract will be due on July 24, 1996. The contracting office expects to award six contracts for this opportunity, two to large businesses, two to small businesses, and two to qualified 8(a) vendors.

---

**Justice**

## FICS

VII-10-118

The contracting office has stated that the Fingerprint Image Capture System is canceled. The requirements were reevaluated and it was determined that they could be satisfied through an existing contract with North American Morpho for "Fingerprint Image Conversion Operation".

## VIDEO CONFERENCING SYS. VII-10-123

Due to a change in the agency's mission, the contracting office has canceled the Video Conferencing System for FCI program.

---

**National Science Foundation**

## SOFTWARE SUPPORT SVCS.

VIII-19-005

On July 1, 1996, the Software Support Services contract was awarded to Logicon/Syscon, Compuware, Andrulis Research Corp., and KPMG Peat Marwick.

---

**Navy**

## ADP TECH. SUPPT. SVCS.

V-03-208

On July 2, 1996, the ADP Technical Support Services contract was awarded to Planned Systems International. The contract has an estimated value of \$29 million.

ENWGS

V-03-066

The contracting office awarded the Enhanced Naval Warfare Gaming System Support contract to CSC on June 14, 1996. The contract has an estimated value of \$3 million.

---

## Social Security Administration

IHRIS

VII-08A-010

The Integrated Human Resources System Software contract was awarded to Andersen Consulting on June 25, 1996. The contract has an estimated value of \$16.5 million.

SOFTWARE MAINT.

VII-08A-016

The contracting office has canceled the Software Maintenance program. All requirements will be fulfilled through GSA Schedule purchases.

---

## Treasury

DATA CENTER MAINFRAME

VII-12-128

According to the contracting office, the Data Center Mainframe procurement will be sole-sourced to Vion. The final award for this sole-source is expected in September.

---

## Veterans Affairs

VTAPS

VIII-16-027

The 8(a) set-aside portion of the Veterans Technical and Programming Support contract was awarded to Information Management Consultants on June 13, 1996. It has an estimated value of \$10 million. The full and open contract was awarded to KPMG Peat Marwick on June 13 for \$10 million as well.

PCHS

VIII-16-030

The contracting office released the RFP for the Procurement of Computer Hardware and Software on July 11, 1996. Technical proposals will be due 30 days following this release and pricing proposals will be due 15 days later. An award is planned for September.

PAIRS

VIII-16-032

On August 2, the VA will conduct a work session for the Procurement of Automated Information Resources Solutions program. According to the Contracting Office the release of the RFP will occur 2-4 months after the release of the PCHS RFP—which was released on July 11.

# Recent Library Acquisitions

Department: Air Force

Document Title: Engineering and Installation Services

RFP #: F4162196R0004

Document Type: RFP

INPUT Reference #: 02099.22

Department: Air Force

Document Title: Engineering and Technical Support

RFP #: F2560096R5003

Document Type: RFP

INPUT Reference #: 02099.23

Department: Air Force

Document Title: Engineering and Installation

RFP #: F4162196R0004

Document Type: RFP

INPUT Reference #: 02099.24



Department: Army  
Document Title: Information Storage and Retrieval  
RFP #: DAAM0296R0002  
Document Type: RFP  
INPUT Reference #: 02199.14

Department: Army  
Document Title: ASC Missile System and Simulation Engineering,  
RFP #: DAAH0196RR020  
Document Type: RFP  
INPUT Reference #: 02199.15

Department: Army  
Document Title: ADP Operations and Maintenance  
RFP #: DAEA3296RXXXX  
Document Type: DRFP  
INPUT Reference #: 02199.16

Department: Defense  
Document Title: Simulation Modeling of AIN  
RFP #: DASW0196R0065  
Document Type: RFP  
INPUT Reference #: 02538

Department: Defense  
RFP #: DASW0196R0044  
Document Type: RFP  
INPUT Reference #: 02539

Department: Defense  
Document Title: Global Geospatial Information and Services  
RFP #: DMA10096R5082  
Document Type: RFP  
INPUT Reference #: 02540

Department: Defense  
Document Title: Sharp(SP)  
RFP #: DASW0195R0317  
Document Type: RFP (Diskette)  
INPUT Reference #: 02541D

Department: Defense  
Document Title: SHARP(G)  
RFP #: DASW0195R0240  
Document Type: RFP (Diskette)  
INPUT Reference #: 02542D

Department: Defense  
Document Title: DOCS3  
RFP #: DASG6296R0003  
Document Type: DRFP, Mailing List  
INPUT Reference #: 02543

Department: Education  
Document Title: Project EASI Briefing  
Document Type: Informational Document  
INPUT Reference #: 05016

Department: Energy  
Document Title: Automated Data Processing and Telecom Support  
Document Type: RFI  
INPUT Reference #: 06200

Department: Energy  
Document Title: Technical Support Services  
Document Type: SOW  
INPUT Reference #: 32060.025  
Contractor: Stone & Webster Corp.  
Contract #: DEAC0492AL72306

Department: Exec Off of the President  
Document Title: OMB Circular A-11  
Document Type: Budget/A11  
INPUT Reference #: 01016

Department: Fed. Ret. Thrift. Inv. Brd.  
Document Title: Thrift Savings Plan Record Keeping System  
RFP #: TIB9601D  
Document Type: DRFP, BML, Agency Info.  
INPUT Reference #: 28100

Department: GAO  
Document Title: Executive Guide: Effectively  
Implementing  
Document Type: GAO Report  
INPUT Reference #: GGD-96-118

Department: GAO  
Document Title: Financial Management:  
DOD Needs to Lower  
Document Type: GAO Report  
INPUT Reference #: AIMD-96-82

Department: GAO  
Document Title: Management Reform:  
Completion Status  
Document Type: GAO Report  
INPUT Reference #: GGD-96-94

Department: GAO  
Document Title: Paperwork Reduction:  
Burden Reduction Goal  
Document Type: GAO Report  
INPUT Reference #: GGD-96-186

Department: GAO  
Document Title: Financial Audit: Actions  
Needed to Improve IRS  
Document Type: GAO Report  
INPUT Reference #: AIMD-96-96

Department: GAO  
Document Title: Veterans Benefits  
Modernization  
Document Type: GAO Report  
INPUT Reference #: AIMD-96-103

Department: GAO  
Document Title: Tax Administration: Issues  
in Classifying  
Document Type: GAO Report  
INPUT Reference #: GGD-96-130

Department: GAO  
Document Title: Financial Management  
Document Type: GAO Report  
INPUT Reference #: AIMD-96-104

Department: GAO  
Document Title: Rural Development  
Document Type: GAO Report  
INPUT Reference #: RCED-96-155

Department: GAO  
Document Title: Department of Energy:  
Progress Made  
Document Type: GAO Report  
INPUT Reference #: RCED-96-197

Department: GAO  
Document Title: Operation And Maintenance  
Funding  
Document Type: GAO REPORT  
INPUT Reference #: NSIAD-96-141

Department: GAO  
Document Title: Customs Service  
Modernization  
Document Type: GAO Report  
INPUT Reference #: AIMD-96-57

Department: GAO  
Document Title: Tax Systems Modernization:  
Actions Underway  
Document Type: GAO Report  
INPUT Reference #: AIMD-96-106

Department: GAO  
Document Title: Energy Downsizing  
Document Type: GAO Report  
INPUT Reference #: RCED-96-154

Department: GAO  
Document Title: Telecommunications: FTS  
2000 Cost Comparison  
Document Type: GAO Report  
INPUT Reference #: AIMD-96-95

Department: GAO  
Document Title: Software Capability  
Evaluation: VA's Software  
Document Type: GAO Report  
INPUT Reference #: AIMD-96-90

Department: GAO  
Document Title: Federal Reserve System:  
Current and Future  
Document Type: GAO Report  
INPUT Reference #: GGD-96-128

Department: GAO  
Document Title: Telecommunications: Costs  
Reported  
Document Type: GAO Report  
INPUT Reference #: AIMD-96-105

Department: GAO  
Document Title: Acquisition Reform:  
Regulatory Implementation  
Document Type: GAO Report  
INPUT Reference #: NSIAD-96-139

Department: GSA  
Document Title: Army Workstation 1 Protest  
(Sun Microsystems)  
RFP #: DAHC9495R0005  
Document Type: Protest/Protest Decision  
INPUT Reference #: 01710.16

Department: GSA  
RFP #: 7KE950002  
Document Type: Bidders Mailing List  
INPUT Reference #: 12104

Department: HHS  
Document Title: Image World Contract  
Document Type: DSOW  
INPUT Reference #: 13409

Department: HUD  
Document Title: GNMA Financial Statement  
Audit  
Document Type: Contract & Modifications  
INPUT Reference #: 32140.008  
Contractor: KPMG Peat Marwick  
Contract #: DU18412

Department: INPUT  
Document Title: Federal Imaging Market  
1996-2001  
Document Type: INPUT Document  
INPUT Reference #: MM14-96

Department: Justice  
RFP #: DEA92R0012  
Document Type: Contract & Modifications  
INPUT Reference #: 32160.022  
Contractor: General Analytics Corp.  
Contract #: DEA94C0005

Department: Justice  
Document Title: Assistance Services in the  
NAFP  
RFP #: JOJMD94R0002  
Document Type: Contract & Modifications  
INPUT Reference #: 32160.023  
Contractor: KPMG Peat Marwick  
Contract #: 6CKJMD0051

Department: Labor  
Document Title: ADP Services  
RFP #: LA9616  
Document Type: RFP  
INPUT Reference #: 17016

Department: Navy  
Document Title: Technical and Logistic  
Services  
RFP #: N0014090R1446  
Document Type: Contract & Modifications  
INPUT Reference #: 32022.098  
Contractor: System Engineering Ass.  
Contract #: N0014091DAC17

Department: Navy  
Document Title: Computer Analysis and  
Programming Services  
RFP #: N4740896R6334  
Document Type: RFP  
INPUT Reference #: 02299.13



Department: Navy  
 Document Title: Technical Support for UK Trident and Polaris  
 Document Type: Contract & Modifications  
 INPUT Reference #: 32022.099  
 Contractor: Lockheed Missiles  
 Contract #: N0003095C0048

Department: Transportation  
 Document Title: Pharmacy Management System  
 RFP #: DTCG2395RHAC198  
 Document Type: RFP  
 INPUT Reference #: 24114

Department: Transportation  
 Document Title: En Route Software Engineering Services  
 RFP #: DTFA0196DR07861  
 Document Type: DRFP  
 INPUT Reference #: 24273

Department: Transportation  
 Document Title: Aviation Logistics Management Information Sys.  
 RFP #: DTCG2396REA7001  
 Document Type: Bidders Mailing List  
 INPUT Reference #: 24115

Department: Transportation  
 Document Title: Information Technology Help Desk & Network Support  
 RFP #: DTFH6196R00079  
 Document Type: RFP  
 INPUT Reference #: 24016

Document Title: Congressional Staff Directory 1996/Summer  
 Document Type: Directory  
 INPUT Reference #: 01303

Carroll Publishing  
 Document Title: State Directory, Executive, Legislative, Judicial  
 Document Type: Directory  
 INPUT Reference #: 01302.02

## Recent DPAs

### Defense

6/24/96 KAA-96-0048

For the acquisition of resources in support of DISA Joint Interoperability Engineering Organization (JIEO). This letter responds to an APR on 6/6/96.

### State

6/7/96 KAA-96-0047

For the acquisition of resources in support of office automation and LAN/WAN requirements at DoS sites. This letter responds to an APR dated 5/15/96.

### Treasury

6/17/96 KAA-90-0069(Y)

For the Department of Treasury Telecommunications Systems (DOTTS) contracts. The DPA for DOTTS is amended to allow non-Treasury agency requirements to be satisfied using the existing DOTTS contracts.

This newsletter is issued as part of INPUT's Federal IMPACT Program. If you have questions or comments on this newsletter, please call your local INPUT organization or Kevin Plexico at INPUT, 1921 Gallows Road, Suite 250, Vienna, VA 22182. (703) 847-6870

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- 5-year market forecasts
- Competitive analysis
- Access to experienced consultants
- Immediate answers to questions
- On-site presentations

## DATABASES

- Software and Services Market Forecasts
- Software and Services Vendors
- U.S. Federal Government
  - Procurement Plans (PAR, APR)
  - Forecasts
  - Awards (FAIT)

## CUSTOM PROJECTS

For Vendors—analyze:

- Market strategies and tactics
- Product/service opportunities
- Customer satisfaction levels
- Competitive positioning
- Acquisition targets

For Buyers—evaluate:

- Specific vendor capabilities
- Outsourcing options
- Systems plans
- Peer position

## OTHER SERVICES

Acquisition/partnership searches

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# Federal Newsletter

A Publication from INPUT's Federal Procurement Analysis Reports Service

Vol. IV, No. 9

September 1996

## Vision 21: DOD's Blueprint for Further Downsizing

### Researcher's Corner

by *Marco H. de Vries*

After eight years and four rounds of consolidating and closing Department of Defense installations under the Base Realignment and Closure (BRAC) effort, the Pentagon has unveiled yet another proposal to streamline its activities. Being targeted by this latest round of proposed cuts are DOD's laboratories and test and evaluation (T&E) centers nation-wide, with 20% of all current operations slated for potential closure.

The plan, dubbed Vision 21, is mandated under Section 277 of the National Defense Authorization Act for Fiscal Year 1996 and

presents arguments to recast the Pentagon's lab and T&E complex as a more modern and efficient system capable of satisfying military needs despite shrinking budgets. Reduction, restructuring and revitalization are cited as fundamental pillars of the effort, which is headed by Under Secretary of Defense for Acquisition and Technology Paul Kaminski.

Released on April 30, 1996, the plan goes so far as to list those installations and activities up for consideration under Vision 21. Centers targeted by Vision 21 total 13 for the Army, 18 for the Navy, 11 for the Air Force, 9 for the Defense Special Weapons Agency (formerly the Defense Nuclear Agency) and 3 others for a total of 54 T&E centers, many of which were not scheduled for closure under BRAC. Some of the more significant installations on the list include:

- 5 Army Research Labs
- 5 Naval Air Warfare Center installations
- 8 Naval Surface Warfare Center installations
- 3 Naval Research Labs
- 3 Armstrong Lab installations
- 3 Wright Lab installations

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Specific criteria for the plan have already been set by Congress and the Office of the President, including a tentative time-line:

- January 1, 1997 — Congress to initiate enabling legislation
- April 1, 1998 — Congress and DOD to develop implementation details for the five-year plan
- July 1, 1998 — Secretary of Defense to approve plan and submit report to the President
- October 1, 2000 — Begin execution of plan
- October 1, 2005 — Complete the plan

Surprisingly, Vision 21 has received little attention by the media, although its effects will likely be hard-felt for T&E centers and federal contractors alike. Consolidation and closure of such centers will naturally be followed by consolidation or termination of information technology and facilities management contracts. Additionally, while some facilities targeted by Vision 21 will lose some or all of their responsibilities, others will likely receive more.

The Pentagon's move was not unforeseeable, however. As early as last year, the National Science and Technology Council began issuing reports that DOD has not relied enough on "cross-service integration" to consolidate lab resources under BRAC, despite various opportunities to do so—notably in command, control, computers and intelligence activities.

While laboratories and test and evaluation centers only account for a portion of the \$34.9 billion allocated for Defense's research, development, technology and engineering in fiscal year 1996, a 20% reduction in such activities could save DOD billions of dollars. For more information on Vision 21, the plan

can be obtained via the Internet at <http://www.dtic.dla.mil:80/labman/vision21/index.html>.

## INPUT Notes

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### MAR Program

INPUT is pleased to welcome Norman J. Berthaut as the new director of the Market Analysis Program. Mr. Berthaut's experience includes various managerial roles in business development and marketing in both the commercial and federal branches of IBM. He also served as the Director of Marketing/Business Development for Corporate Resources Group, a management consultant and training firm. Most recently, Mr. Berthaut was the Regional Sales Manager for the Eastern United States with INPUT's commercial research unit. He brings to the MAR program over thirty years of experience in sales, marketing management and training, as well as in-depth knowledge of the information technology marketplace.

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### Breakfast Meeting

On Tuesday, September 24, 1996, INPUT will be holding its third quarterly breakfast meeting. Featured is William Gormley, the Assistant Commissioner of the Office of Acquisition for the Federal Supply Service. Mr. Gormley will speak about the impact of new programs and acquisition reform on the IT vendor community in light of the increasingly important role of GSA schedules in the marketplace. Also included in the schedule is a discussion of the impact of electronic commerce on vendors, via GSA Advantage.

Also at the breakfast, INPUT will hold a demonstration of the new IMPACT Database. Training on the new database will begin early next quarter.

The breakfast will be held at the Fairview Park Marriott in Falls Church. Registration begins at 8:00 am. For registration information, please contact Jean Beaver at (703) 847-6870.

## DPA Information

Due to the recent repeal of the Brooks Act, the regulation governing the issuance of DPAs has changed. Under the new set of procurement standards, there will be no more Delegations of Procurement Authority issued by GSA. All approval authority for programs will come from the agency from which the requirement is established.

# Reports and Profiles

Federal Financial Management Systems Market 1996-2001  
Federal Wireless Technology Market 1995-2000  
Federal Imaging Market, 1996-2001

## 1996 Reports In Development

Federal Professional Services Market  
Federal Information Systems and Services Market, 1996-2001  
Federal Telecommunications Market

## 1996 Agency Profiles

FAA, NASA .....September  
USDA, DISA.....October  
Air Force, HHS.....November

## Available Agency Profiles

HCFA, March 1995  
EPA, April 1995  
Agriculture, April 1995  
FAA, May 1995  
NASA, May 1995  
NIH, May 1995  
Commerce, May 1995  
Justice, May 1995  
DISA, June 1995  
Education, June 1995  
PTO, June 1995  
OPM, August 1995  
Interior, August 1995  
Air Force, September 1995  
Labor, October 1995  
SBA, October 1995  
DFAS, November 1995  
Navy, November 1995  
CDC, December 1995  
FEMA, December 1995  
USAID, January 1996  
EOP, January 1996  
USCS, February 1996  
USSS, February 1996  
VA, March 1996  
DOE, March 1996  
FBI, April 1996  
State, April 1996  
TVA, May 1996  
Postal Service, May 1996  
USCG, June 1996  
GSA, June 1996  
Army, July 1996  
IRS, July 1996  
Commerce, August 1996  
SSA, August 1996

# August Procurement Highlights

## Air Force

ULANA II V-01-156

The Unified Local Area Network II program is currently under protest. The Air Force has filed an appeal with the GSBICA over the decision that the agency was flawed in its best-value analysis. A final decision is expected to be made in September.

BLSM II V-01-206

The Base Level Systems Modernization II program was awarded to Lockheed Martin Federal Systems on August 15, 1996. The contract has an estimated value of \$900 million.

IMDS V-01-219

The Integrated Maintenance Data System program was awarded to Andersen Consulting on July 19, 1996. The contract has an estimated value of \$72.5 million.

CCSC V-01-251

An award for the Command and Control Sustainment Contract was made to Lockheed Martin on July 23, 1996. The contract has a value of \$1.3 million.

DT V 8(A)

V-01-236

The bid due date for the 8(a) portion of the Desktop V contract was October 31, 1995. Currently, the award is planned for October 1996. This contract will be worth a portion of the overall \$1 billion DT V contract.

## Army

MSRC V-02-120

Multiple contracts were awarded for the Major Shared Resources Centers program. Two contracts were awarded to Nichols Research on March 18, 1996 and May 1, 1996 for \$155.5 million and \$53.4 million respectively. Contracts were also awarded to Grumman Data Systems on May 30, 1996 for \$53.6 million and Raytheon E-Systems on August 9, 1996 for \$168.9 million.

IMA V-02-137

The contracting office resynopsized the Information Mission Area Support Services contract in the CBD on August 7, 1996. The RFP is currently expected to be released on September 13. Bids will be due one month following with an anticipated award in February 1997. Although originally posted as a small business set-aside, this opportunity will now be open to full competition.

## Commerce

PTO DT VI-06-073

An RFP for the PTO Desktop program was released on August 9, 1995. Bids were then due on January 18, 1996. The contracting office now anticipates making an award in September 1996.



**DATA WAREHOUSING**

VI-06-087

This opportunity was announced in the CBD on August 6, 1996. Currently, responses are due on September 24. The Statement of Need is expected on November 1, 1996 with cost responses due back on November 15. INPUT anticipates the award of this opportunity on December 6, 1996. The Project Agreement estimates the value of this contract between \$6 to \$10 million.

---

**Defense****DISC**

V-04M-001

The DREN Inter-Site Services Contract was awarded to AT&T on July 11, 1996. The contract has an estimated value of \$430 million.

**GGI&S**

V-04O-003

The RFP for the Global Geospatial Information and Services contract was released on June 26, 1996. Bids were due on August 13. INPUT anticipates an award for this opportunity in October 1996.

**SIMULATION MODELING**

V-04E-021

Bids for the Simulation Modeling of Automated Information Networks program were due on June 28, 1996; however, no bids were received from qualified bidders. The contracting office is now unsure about how these requirements will now be filled. INPUT will continue to track the program until either a new opportunity arises or the program is canceled.

---

**GSA****FIP FACILITIES MGT. SUPPT.** VIII-14-040

The FIP Facilities Management Support Services contract was awarded to Computer Data Systems, Inc. on August 13, 1996. The contract has an estimated value of \$200 million.

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**Health and Human Services****TRUST**

VII-08-124

An award for the Training Resources User Services and Technology Support contract was made to Booz-Allen & Hamilton on August 9, 1996. The contract has a value of \$64.8 million.

**IMAGEWORLD**

VII-08-137

The Imageworld contract was awarded on August 15, 1996 to 20 primes, six of which are 8(a) firms, seven are small businesses, and seven are large corporations. The total value of these contracts is estimated to be worth more than \$100 million. Awards are as follows: BTG, Compusearch, Dataline Inc., Digicon, Doculabs, Doxsys, EDS, Kathpal Technologies, Inc., Lockheed Martin, Management Systems Designers, MCSI Technologies Inc., MicroDynamics Ltd., Multimax, National Micrographics Systems, Seta Corp., Sytel Inc., Tele Comm Systems Inc., Unisys, and Universal Hi-Tech Development.

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**Justice****FOS.HM**

VII-10-121

The Field Office Support and Hardware Maintenance program was announced in the CBD on July 30, 1996. The contracting office intends to release a DRFP in September 1996. Comments will then be due 10 days following the release of the draft. A final RFP is expected in October.

---

**NASA**

ART VIII-15-131

The Aerospace Research and Technology contract was awarded to Lockheed Martin on June 15, 1996. The award is valued at \$51.6 million.

UMS VIII-15-168

On August 13, 1996, the Utilization and Mission Support contract was awarded to Lockheed Martin for \$89 million. The contract calls for three base years of service plus two option years.

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**Navy**

TOTAL FORCE MANAGEMENT V-03-231

The ADP Services for Total Force Personnel Management contract was awarded to Tidewater Consulting on June 20, 1996. This is a 100% small business set-aside. The total value of the contract is \$9.9 million.

MRMS V-03-239

The contracting office expects to release the RFP for the Maintenance Resource Management System by September 28, 1996. Bids will then be due in November with an award to follow in December.

POS V-03-256

The contracting office is currently in the process of developing a plan for the Point of Sale Terminals program. They expect to release an RFP some time in October.

LOGISTICS AND TRAINING V-03-262

The Logistics and Training Services contract was awarded to CACI on August 7, 1996. The estimated value of the award is \$7.8 million.

MRP II V-03-263

The Manufacturing Resources Planning II System contract was awarded to Lilly Software on August 1, 1996. The contract has a value of \$133,535.

ENGINEERING, TECHNICAL AND LOGISTICS V-03-294

The contracting office hopes to release an RFP for the Engineering, Technical and Logistics Support Services program on October 1, 1996. INPUT anticipates that bids will be due in December 1996 with an award to follow in February 1997.

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**SSA**

MAP 2000 VII-08A-015

The Mainframe Acquisition Project 2000 was awarded to Vion on August 16, 1996. The award is valued at \$60 million.

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**Transportation**

NISC II VII-11-128

The contracting office hopes to release the Draft Screening Information Request for the National Airspace System Implementation Support Contract II in late October 1996. The initial SIR is expected in February 1997 with an award one year following.

## Veterans Affairs

MARCITS

VIII-16-034

Bids for the Multiple Award Requirements Contract for Information Technology Services will be due on September 13, 1996. The contracting office expects to award multiple contracts in October.

## Recent Library Acquisitions

Department: Air Force  
Document Type: Contract & Modifications  
INPUT Reference #: 32020.069  
Contractor: Sentel Corp.  
Contract #: F0863590C0062

Department: Army  
Document Title: ADP Systems Maintenance  
RFP #: DAHC3596B0011  
Document Type: RFP, BML  
INPUT Reference #: 02199.17

Department: Army  
Document Title: Technical Support Services  
RFP #: DATM0193R0001  
Document Type: Contract, Mods, RFP  
INPUT Reference #: 32021.068  
Contractor: Teledyne Brown Engineering  
Contract #: DATM0194D0003

Department: Defense  
Document Title: Scientific, Engineering and Technical Assistance  
RFP #: HQ00696R0007  
Document Type: DSOW  
INPUT Reference #: 02544

Department: Defense  
Document Title: Vision 21: The Plan for 21st Century  
Document Type: Informational Document  
INPUT Reference #: 01854

Department: Defense  
Document Title: Systems Engineering & Technical Assistance  
Document Type: Contract & Modifications  
INPUT Reference #: 32024.039  
Contractor: SAC  
Contract #: MDA97290C0067

Department: EIA  
Document Title: EIA 5 YR Forecast FY 1996-2000  
Document Type: Conference Binders  
INPUT Reference #: 01910.28

Department: Fed. Ret. Thrift. Inv. Brd.  
Document Title: Thrift Savings Plan  
RFP #: TIB9601  
Document Type: RFP  
INPUT Reference #: 28101

Department: GAO  
Document Title: Reports and Testimony: February 1996  
Document Type: GAO Report  
INPUT Reference #: OPA-95-5

Department: GSA  
Document Title: Post FTS 2000  
Document Type: Technical Standards (Disk)  
INPUT Reference #: 12098.2D

Department: HHS  
Document Title: Cancer Information Analysis and Tracking  
RFP #: NCICO6101777  
Document Type: RFP  
INPUT Reference #: 13410



Department: HHS  
Document Title: Maintenance and Relocation  
of SSA LANS  
RFP #: SSARFP972661  
Document Type: RFP, BML  
INPUT Reference #: 13322

Department: HHS  
Document Type: Contract & Modifications  
INPUT Reference #: 13223  
Contractor: Dyncorp  
Contract #: 500940051

Department: HHS  
Document Type: Contract & Modifications  
INPUT Reference #: 13224  
Contractor: Forensic Medical  
Contract #: 500940050

Department: HHS  
Document Title: Microcomputer and Office  
Automation Support Serv.  
RFP #: RFP2596HHSOS  
Document Type: RFP  
INPUT Reference #: 13017

Department: Interior  
Document Title: Strategic Plan for the U.S.  
Geological Survey 1996  
Document Type: Informational Document  
INPUT Reference #: 01213

Department: Justice  
Document Title: Verification Information  
System (VIS)  
RFP #: HQ9629  
Document Type: RFP  
INPUT Reference #: 16209

Department: Justice  
Document Type: Contract & Modifications  
INPUT Reference #: 32160.024  
Contractor: PRC  
Contract #: DEA95C0013

Department: Justice  
Document Title: Personnel Workstation  
Acquisition  
Document Type: Contract, Mods, RFP  
INPUT Reference #: 32162.003  
Contractor: C3/Telos  
Contract #: COW4C0013

Department: Labor  
Document Title: Department of Labor  
Strategic Plan 1995-2000  
Document Type: IRM Plan  
INPUT Reference #: 01222

Department: Navy  
Document Type: Contract & Modifications  
INPUT Reference #: 32022.101  
Contractor: TMAC  
Contract #: N0002496C6418

Department: Navy  
Document Title: Trident II Missile Production  
Document Type: Contract & Modifications  
INPUT Reference #: 32022.100  
Contractor: Lockheed Missiles and Space  
Contract #: N0003096C0096

Department: Navy  
Document Title: Defense Simulation Internet  
Network  
RFP #: N6600196R8501  
Document Type: RFP  
INPUT Reference #: 02299.14

Department: Postal Service  
Document Title: Contracts Awarded Since  
1988 to Certain Firms  
Document Type: Informational Document  
INPUT Reference #: 21017

Document Title: Veterans Affairs Industry  
Day  
Document Type: Conference Binders  
INPUT Reference #: 01910.29

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This newsletter is issued as part of INPUT's Federal IMPACT Program. If you have questions or comments on this newsletter, please call Brian Haney at INPUT, 1921 Gallows Road, Suite 250, Vienna, VA 22182. (703) 847-6870

# Federal Newsletter

A Publication from INPUT's Federal Procurement Analysis Reports Service

Vol. IV, No. 10

October 1996

## GSA Launches Two New Internet Resource Sites

### Researcher's Corner

by *Tommy Young*

On September 11, 1996, the General Services Administration (GSA) demonstrated the Government Information Exchange (GIX) and the Concept Development Record (CDR) Server, a pair of new Internet sites that provide government contractors with a vast array of procurement and government related intelligence data.

Development of GIX was started more than a year ago by the GSA Federal Telecommunications Service (FTS) Office of Network Applications, after they "noticed an increase in the use of the Internet to disseminate

information," said Ronald W. Piasecki, Assistant Commissioner of Network Applications. "Our goal is to facilitate information and resource sharing among the various levels of government to better serve the needs of the American public," Piasecki continued.

GIX, available on the Internet at "http://www.info.gov," provides a number of potentially useful resources for federal government contractors. Other than the usual organization of government links and contact information found on many federal government link sites, GIX provides users with a powerful search engine, and it makes a bold attempt to promote Electronic Commerce (EC) through its Electronic Shopping Network. Other major sections include:

- Federal Directory
- State and Local Government
- Federal Yellow Pages
- Intergovernmental Collaboration
- Foreign Government

The GIX search engine, developed by the University of Massachusetts Center for Intelligent Information Retrieval, allows users

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## INPUT Notes

to search a variety of documents residing on the GSA server or to search the entire Internet. What sets this search engine apart from the dozens currently available on the Internet is its ability to search only ".gov" and ".mil" domain names, which provides for more accurate and timely retrieval of information.

GSA hopes GIX's Electronic Shopping Network will become the benchmark for government EC on the Internet. According to Piasecki, "GSA has a unique position because we are involved in many of the major Information Technology (IT) initiatives; therefore, we have a hands-on approach to communications and EC."

The CDR Server, accessible at "<http://post.fts2k.gsa.gov/>", was created to provide "the basis for a continuing dialogue with all interested parties concerning the nature and scope of the successor(s) to the existing FTS 2000 networks." Although the majority of information that resides on the CDR Server is FTS 2000 related, there is also a wealth of strategy, conceptual and procurement documents available for downloading in a number of formats.

Both the GIX and CDR Server are, according to Piasecki, "A home page of home pages." The CDR Server includes frequently updated GSA reports, including reports by the Future Communications Services Working Group (FCSWG), the Acquisition Work Group (AWG) and the Joint Concept Review Committee (JCRC), all groups which play a major role in the formation of IT initiatives. The CDR Server also has links to a number of mini-homepages, including procurement data for major contracting opportunities such as Post-FTS 2000, International Direct Distance Dialing (ID3) and the Federal Wireless Telecommunications Service (FWTS).

### DPA Information

Due to the recent repeal of the Brooks Act, the regulation governing the issuance of DPAs has changed. Under the new set of procurement standards, there will be no more Delegations of Procurement Authority issued by GSA. All approval authority for programs will come from the agency from which the requirement is established.

### IMPACT Release

The release of the new IMPACT Database is currently scheduled for the third week of October. The database is now in a beta-testing phase. All IMPACT clients should expect to receive their new systems before the end of the month.

### Federal Information Systems and Services Market, 1996-2001

INPUT has recently released the Federal Information Systems and Services Market Report for FY 1996-2001. The report provides a comprehensive overview of the FY96 federal IT budget and forecasts information technology expenditures by the U.S. federal government for fiscal years 1996-2001. INPUT segments the market, modeling the way federal users buy products and services, into 12 major service models including hardware products, software and related products, professional services, communications and network services, systems integration, and outsourcing.

The report presents INPUT's five-year forecast of the market, and examines the spending distribution across all hardware



equipment, software products, and professional services. In addition, this report analyzes economic factors, IT budget trends, OMB five year plans, and defense versus civilian IT budgets. It also looks at applications and technology trends at federal agencies, and major issues and driving forces that influence the current level of IT spending and project spending in the outyears.

This report is available from INPUT at 1921 Gallows Road, Suite 250, Vienna, VA 22182-3900; telephone (703) 847-6870, fax (703) 847-6872.

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## Special Projects and Custom Research

INPUT is pleased to welcome Charles Billingsley as the new Director, Special Projects and Custom Research. Mr. Billingsley brings with him 14 years of experience in the computer and electronics industries, including seven years in computer software and services. Formerly he was Manager of the Systems Integration and Professional Services Program with INPUT's commercial unit. Before that he was Vice President of the Information Technology Services Division of the Information Technology Association of America. He can be reached at (703) 761-7319.

---

## Multi-Client Project Underway

The latest round of acquisition reforms and new programs facilitating the use of GSA schedules have left government IT vendors asking the question, "*How are agencies going to buy?*"

INPUT's newest multi-client research project, **How Federal Agencies Buy** answers this all important question. By conducting extensive interviews with major government agencies

this project will provide participating clients with the information they need to succeed in the new federal marketplace.

This multi-client project will provide:

- Agency procurement methods by product and service
- Procurement preferences by agency
- Internal standards for procurement by agency
- Internal procurement methods by agency
- Procurement method approval processes by agency
- Methodologies and tools from GSA to promote the use of GSA schedules and other procurement alternatives

Understanding changes in federal procurement will differentiate successful vendors from "also rans." Sign up today.

NOTE: Results of this project will only be available to project participants. To participate contact Charles Billingsley at (703) 761-7319.

## Reports and Profiles

Federal Financial Management Systems Market 1996-2001

Federal Wireless Technology Market 1995-2000

Federal Imaging Market, 1996-2001

Federal Information Systems and Services Market, 1996-2001

## 1996 Reports In Development

Federal Professional Services Market  
Federal Telecommunications Market

## 1996 Agency Profiles

USDA, DISA.....October  
 Air Force, HHS.....November  
 Navy, Education.....December

### Available Agency Profiles

HCFA, March 1995  
 EPA, April 1995  
 NIH, May 1995  
 Commerce, May 1995  
 Justice, May 1995  
 DISA, June 1995  
 Education, June 1995  
 PTO, June 1995  
 OPM, August 1995  
 Interior, August 1995  
 Air Force, September 1995  
 Labor, October 1995  
 SSA, October 1995  
 CFAs, November 1995  
 Navy, November 1995  
 CDC, December 1995  
 FEMA, December 1995  
 USAID, January 1996  
 EOP, January 1996  
 USCS, February 1996  
 USSS, February 1996  
 VA, March 1996  
 DOE, March 1996  
 FBI, April 1996  
 State, April 1996  
 TVA, May 1996  
 Postal Service, May 1996  
 USCG, June 1996  
 GSA, June 1996  
 Army, July 1996  
 IRS, July 1996  
 Commerce, August 1996  
 SSA, August 1996  
 FAA, September 1996  
 NASA, September 1996

## September Procurement Highlights

### Army

SHARP (G) V-02-110

Bids for the Support Hardware Automation Related Products (Generic) program were due on September 4, 1996. The contracting office hopes to make an award some time this month.

DOCS3 V-02-164

Following the October 3 pre-proposal conference, bids for the Defense Satellite Communication System Operational Control System Support Services program will be due on November 4, 1996. The contracting office hopes to make an award by December.

### Defense

COTS IT HARDWARE V-04H-010

A DRFP for this program was released on August 29, 1996. A pre-bid conference is currently set for October 9, 1996. The contracting office hopes to release the RFP by October 22 with an award anticipated in February 1997.

JIEO-DIHC

V-04G-071

The contracting office expects to release the RFP for the Joint Interoperability and Engineering Organization's Defense Information Infrastructure Integration Contract on October 7, 1996. INPUT anticipates the award of this opportunity in December.

---

## Energy

FEDERAL INFORMATION PROCESSING  
SUPPORT SERVICES VI-07-094

This contract was awarded to Software Control International, Inc. on August 29, 1996. The contract has an estimated value of \$19 million.

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## GSA

TSC2 VIII-14-035

The Telecommunications Support Contract 2 was awarded to Booz-Allen & Hamilton on September 6, 1996. This contract is valued at \$58 million.

FEDCAC 111 VIII-14-053

A CBD notice, released on August 28, 1996, announced that FEDSIM's Data Center Services procurement was put on hold indefinitely. The contracting office had originally hoped to make multiple awards for this program. Bids were due on August 7, 1996.

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## Health and Human Services

CIOSP VII-08-139

The contracting office awarded the Chief Information Officer Solutions and Partners contract to 20 prime contractors on August 28,

1996. The total combined value of these contracts is estimated to be over \$100 million.

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## Housing and Urban Development

MARS VII-09B-006

Currently, an award for the Multifamily Accounting and Reporting System is expected some time this month. Bids were due on May 22, 1996. The current contract with DPI has been extended until the award is made.

---

## Justice

ITSS VII-10-034

The Information Technology Support Services contract was awarded to eight vendors on September 9, 1996. The total combined value of all eight contracts is \$878.3 million. Awardees include: BDM, Antion (Ogden), CACI, Dyncorp, Keane Federal Systems, Logicon Syscon, Mantech, and Vitro Corp.

JUSTICE LAPTOPS II VII-10-139

IDP's contract for laptops is due to expire in January 1998. INPUT anticipates an RFP release in January 1997 in order to ensure continued service. The current IDP contract has a value of \$50 million.

---

## NASA

BATC VIII-15-170

Goddard Business, Administrative, and Technical Computing is due to be awarded this month. Bids were due on October 10, 1995. A pre-award protest was then filed by Decision Systems Technology, Inc. No further information is currently available regarding the protest.



## Navy

SUPER-MINI 3 V-03-245

The contracting office expects to release a DRFP for the Navy's Super-Minicomputer 3 procurement in early October 1996. Comments will be due 30 day following the release. The final RFP is anticipated in mid-December 1996.

ENGINEERING TECHNICAL AND LOGISTICS SUPPORT SERVICES V-03-294

The contracting office expects an RFP for this opportunity to be released in early October. INPUT anticipates the close of bids in December 1996 with an award to follow in February in order to ensure continuity of service.

## Transportation

EDMS VII-11-063

The Electronic Document Management System contract was awarded to PRC/Litton on September 3, 1996. The contract has an estimated value of \$8 million for the base year.

STARS VII-11-105

The Standard Terminal Automation Replacement System contract was awarded to Raytheon on September 16, 1996. The contract is valued at \$952 million.

ITS PROG. ASSESSMENT VII-11-140

The contracting office awarded the ITS Program Assessment Support contract to Battelle Memorial Institute and SAIC on September 5, 1996. The combined value of these contracts is estimated to be \$50 million.

## Treasury

ICS VII-12-123

The current contract, held by IBM, has been extended for hardware. The recompetete will cover only the maintenance of the system. An RFP for the requirements is expected to be released in October 1996.

## Recent Library Acquisitions

Department: Air Force  
Document Title: TEMS IV  
Document Type: Contract & Mods, Del Ords  
INPUT Reference #: 32020.070  
Contractor: Analytical Systems Eng.  
Contract #: F1962893D0004

Department: Army  
Document Type: Contract  
INPUT Reference #: 32021.070  
Contractor: Questech, Inc.  
Contract #: DAAB1095D0505

Department: Army  
Document Type: Contract  
INPUT Reference #: 32021.071  
Contractor: Electronics Warfare Assoc.  
Contract #: DAAB1095C0011

Department: Army  
Document Type: Contract  
INPUT Reference #: 32021.069  
Contractor: Maden Tech  
Contract #: DATM0195D0002

Department: Commerce  
Document Title: Facilities Management  
Document Type: Contract & Modifications  
INPUT Reference #: 32046.011  
Contractor: Global Management Systems  
Contract #: 50PAPT300047

Department: Commerce  
Document Title: Data Capture System 2000  
(DCS 2000)  
RFP #: 52SOBC600003  
Document Type: RFP  
INPUT Reference #: 04100

Department: Defense  
Document Title: List Of Contracts With DIA  
From 1990 To Present.  
INPUT Reference #: 32024.040

Department: Defense  
Document Title: DISN Strategy  
Document Type: Informational Document  
INPUT Reference #: 02545

Fed Data Center  
Document Title: Consolidation of Federal  
Data Centers  
Document Type: Initiative Documents  
INPUT Reference #: 01720.7

Department: GAO  
Document Title: Federal Downsizing:  
Delayed Buyout Policy at DOE  
Document Type: GAO Report  
INPUT Reference #: GGD-96-132

Department: GAO  
Document Title: Budget Process: Evolution  
and Challenges  
Document Type: GAO Report  
INPUT Reference #: AIMD-96-129

Department: GAO  
Document Title: Information Mgt. Reform  
Document Type: GAO Report  
INPUT Reference #: AIMD-96-132

Department: GAO  
Document Title: Acquisition Reform:  
Military-Commercial  
Document Type: GAO Report  
INPUT Reference #: NSIAD-96-53

Department: GAO  
Document Title: Information Management:  
Energy Lacks Data  
Document Type: GAO Report  
INPUT Reference #: AIMD-96-70

Department: GAO  
Document Title: CFO ACT Financial Audits:  
Navy Plant Property  
Document Type: GAO Report  
INPUT Reference #: AIMD-96-65

Department: GAO  
Document Title: Space Station: Cost Control  
Difficulties  
Document Type: GAO Report  
INPUT Reference #: NSIAD-96-135

Department: GAO  
Document Title: Energy Management:  
Technology Development  
Document Type: GAO Report  
INPUT Reference #: RCED-96-184

Department: GSA  
Document Title: Telecommunications  
Maintenance and Follow-on  
RFP #: GS6KS97BND0001  
Document Type: RFP  
INPUT Reference #: 12105

Department: GSA  
Document Title: International Direct  
Distance Dialing Service (ID3)  
RFP #: TQLPB960005  
Document Type: RFP  
INPUT Reference #: 12106

Department: Interior  
Document Title: Technical Support Services  
for the WASC (TASC)  
RFP #: 1434HQ96SS00005  
Document Type: RFP  
INPUT Reference #: 15038

Department: Justice  
Document Title: Information Technology  
Partnership (ITP)  
Document Type: Contract  
INPUT Reference #: 32162.004  
Contractor: EDS  
Contract #: COW4C0018

Department: Justice  
Document Title: Verification Information  
System (VIS)  
RFP #: HQ9629  
Document Type: RFP, BML  
INPUT Reference #: 16210

Department: Navy  
Document Title: Data Automated  
Communications Terminal (DACT)  
RFP #: DACTSSS001R0C0  
Document Type: Pre-Procurement Docs.  
INPUT Reference #: 02299.16

Department: Navy  
Document Title: TES  
RFP #: N6133995R2001  
INPUT Reference #: 32022.102B

Department: Navy  
Document Title: TES  
RFP #: N6133995B2001  
Document Type: RFP  
INPUT Reference #: 32022.102C

Department: Navy  
Document Title: POS Vision Statement  
RFP #: N0014096R0003  
Document Type: Vision Statement  
INPUT Reference #: 02299.17

Department: Navy  
Document Title: Engineering Services  
RFP #: N6600196R5056  
Document Type: RFP  
INPUT Reference #: 02299.18

Department: Postal Service  
Document Type: Proposal  
INPUT Reference #: 32210.006  
Contractor: Booz-Allen & Hamilton  
Contract #: 10259096O1512

Department: Postal Service  
Document Type: Contract (BPA)  
INPUT Reference #: 32210.007  
Contractor: Systems Dynamics  
Contract #: 10423089R3498

Department: Transportation  
Document Title: ERMS  
Document Type: Q and A  
INPUT Reference #: 24274

Department: Transportation  
Document Title: ATMSDI  
INPUT Reference #: 24275

Department: Treasury  
RFP #: RFPFMS950017  
Document Type: RFP  
INPUT Reference #: 25406

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# Federal Newsletter

A Publication from INPUT's Federal Procurement Analysis Reports Service

Vol. IV, No. 11

November 1996

## The Future of IT Protests

### Researcher's Corner

*by William H. Young*

On August 8, 1996 the Information Technology Management Reform Act (ITMRA) repealed the Brooks Act and in turn replaced the General Services Administration Board of Contract Appeals (GSBCA) with the General Accounting Office (GAO) as the governing authority over information technology bid protests.

There are several procedural factors vendors must consider when filing protests with GAO.

- A protest shall be filed no later than 10 days after the basis of the protest is known, or should have been known.
- Vendors must notify the agency within one working day of filing.
- Documents are requested concurrent with the filing of the protest. Additional documents may be requested within two working days of the agency report.
- Contract suspension is automatic immediately after agency notification. Suspension may be waived if the agency supplies sufficient evidence for continuation.
- Agency reports are required within 30 days of notification.
- Hearings are held as soon as possible after the receipt of the agency report.
- The decision is made within 100 days of filing. Express options are available which would require a decision within 65 days.
- A request for reconsideration can be filed within 10 days after the basis for reconsideration is known or should have been known, whichever is earlier.

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Vendors should also be aware that a GAO decision is not legally binding nor enforceable. The decision is a recommendation that the agencies may or may not accept.

Copies of GAO's new practices and procedures are available on the agency World Wide Web site at <http://www.gao.gov>.

GAO, however, is not the only vehicle for filing information technology protests. Vendors may choose alternative means for filing, such as alternative dispute resolution (ADR), Scanwell suits in U.S. District Court, or U.S. Court of Federal Claims.

Alternative dispute resolution is a method for agencies and vendors to settle procurement disputes without the cost and time of formal protests. GSBICA is exploring roles as facilitator in ADR cases. GSBICA has already agreed to provide ADR services for the FAA under their new procurement system.

In October, Congress passed an amended version of the Administrative Dispute Resolution Act of 1996 (H.R. 4194). The amendment allows vendors to take protests to the U.S. Court of Federal Claims as well as the U.S. District Courts. The amended act goes into effect in January of 1997 and directs GAO to perform a study in 1999. The study will determine if the district courts and claims courts should continue to have jurisdiction over protest awards. The act would terminate the jurisdiction of the U.S. District Court in 2001 unless Congress extends it before the deadline.

Filing suit in U.S. District Court or the U.S. Court of Federal Claims provides an independent review of the case, while also creating a legally binding decision. However, these methods are costly and complicated.

## INPUT Notes

### IMPACT Release

The new IMPACT Database has been released. If you are experiencing any technical problems or have questions about the database, please contact Scott Massey at (703) 847-6870.

### Federal Information Systems and Services Market, 1996-2001

INPUT has recently released the Federal Information Systems and Services Market Report for FY 1996-2001. The report provides a comprehensive overview of the FY96 federal IT budget and forecasts information technology expenditures by the U.S. federal government for fiscal years 1996-2001. INPUT segments the market, modeling the way federal users buy products and services, into 12 major service models including hardware products, software and related products, professional services, communications and network services, systems integration and outsourcing.

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This report is available from INPUT at 1921 Gallows Road, Suite 250, Vienna, VA 22182-3900; telephone (703) 847-6870, fax (703) 847-6872.

## Telecommunications Report

INPUT is pleased to announce that the Telecommunications report has entered its final stage of development. The report will be released to all MAR clients upon its completion in early November.

The report analyzes the federal market for telecommunications systems and services and forecasts market trends for fiscal years 1997-2002.

This report is also available for purchase on an individual basis by calling Jeremiah Cunningham at INPUT, (703) 847-6870.

## Multi-Client Project Underway

The latest round of acquisition reforms and new programs facilitating the use of GSA schedules have left government IT vendors asking the question, *"How are agencies going to buy?"*

INPUT's newest multi-client research project, **How Federal Agencies Buy** answers this all important question. By conducting extensive interviews with major government agencies, this project will provide participating clients with the information they need to succeed in the new federal marketplace.

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## Reports and Profiles

Federal Financial Management Systems Market 1996-2001

Federal Wireless Technology Market 1995-2000

Federal Imaging Market, 1996-2001

Federal Information Systems and Services Market, 1996-2001

## 1996 Reports In Development

Federal Professional Services Market

Federal Telecommunications Market

## 1996 Agency Profiles

Air Force, HHS.....November

Navy, Education..... December

## Available Agency Profiles

HCFA, March 1995

EPA, April 1995

NIH, May 1995



Justice, May 1995  
 Education, June 1995  
 PTO, June 1995  
 OPM, August 1995  
 Interior, August 1995  
 Air Force, September 1995  
 Labor, October 1995  
 SSA, October 1995  
 DFAS, November 1995  
 Navy, November 1995  
 CDC, December 1995  
 FEMA, December 1995  
 USAID, January 1996  
 EOP, January 1996  
 USCS, February 1996  
 USSS, February 1996  
 VA, March 1996  
 DOE, March 1996  
 FBI, April 1996  
 State, April 1996  
 TVA, May 1996  
 Postal Service, May 1996  
 USCG, June 1996  
 GSA, June 1996  
 Army, July 1996  
 IRS, July 1996  
 Commerce, August 1996  
 SSA, August 1996  
 FAA, September 1996  
 NASA, September 1996  
 DISA, October 1996  
 USDA, October 1996

# October Procurement Highlights

## Air Force

CMCMSS V-01-245

The Cheyenne Mountain Complex Mission Software Support contract was awarded to Kaman SCI on September 27, 1996. The contract has an estimated value of \$22.1 million.

DESKTOP V 8(a) V-01-236

Originally, the contracting office had planned to award the 8(a) portion of Desktop V in December 1995. Due to delays, the award has been postponed until December 1996. This award will be valued at part of the overall \$1 billion DT V contract.

## Army

ADP SYSTEMS MAINT. V-02-162

The contracting office awarded this contract to Innovative Computer Systems Services on September 30, 1996. The contract has a base year value of \$26,946.

COST RISK ANALYSIS SW V-02-147

The contracting office hopes to release the RFP for this opportunity in late November 1996. Currently, an award is anticipated in March 1997.

## INFORMATION STORAGE AND RETRIEVAL SERVICES V-02-159

This contract was awarded to Informatics on September 30, 1996. The contract has an estimated value of \$10.7 million.

## PC 2 V-02-121

The Personal Computer 2 contract was awarded to BTG and Sysorex on October 10, 1996. These contracts have a combined total value of \$554.4 million, \$284 million to BTG and \$217 million to Sysorex.

## SCC-2 V-02-136

The contracting office plans to release the RFP for the STAMIS Computer Contract 2 in late November 1996. The award is expected in June 1997 in order to ensure smooth order continuation.

---

## Defense

### DCOMP-DASD V-04G-041

INPUT anticipates the release of the RFP for the DCOMP Direct Access Storage Devices procurement in December 1996. An award is not planned until late in 1997.

### ON-SITE PREVENTATIVE AND REMEDIAL HW MAINT. V-04G-068

The contracting office is still in the process of defining the requirements for this opportunity. They expect to release an RFP in late November 1997. Bids will then be due in January with an award tentatively projected for the third quarter of FY97.

## IIMS V-04G-036

Soza & Company, LTD was awarded the Technical Support for DISA's Integrated Information Management System contract on September 30, 1996. The contract has an estimated value of \$2.3 million for the base year.

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## Energy

### LSS VI-07-087

The RFP for the Licensing Support System is expected to be released in late November 1996. The total value of this program has been estimated at \$200 million.

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## Health and Human Services

### ADMINISTRATIVE SUPT. SVCS. VII-08-130

This contract was awarded to MSTC on October 1, 1996. The contract has an estimated value of \$880,497.

### HEALTH APPLIC. FOR THE NII VII-08-135

The Health Applications for the National Information Infrastructure contract was awarded to 19 vendors on September 30, 1996. The total value of the contracts is an estimated \$42 million.

---

## Justice

### JCON CC VII-10-095

The contracting office currently believes that the requirements for the Justice Consolidated Office Network Commodity Contract can be fulfilled through GSA Schedule purchases. After evaluation, a purchase order was placed with WIN Labs' schedule for 3000 workstations. This order is currently being protested at the GAO by Intelligent Decisions.

---

## Navy

DACT V-03-277

The RFP for the Data Automated Communications Terminal Project is currently anticipated for release in November 1996. INPUT anticipates an award for this opportunity in early 1997.

POS V-03-256

The contracting office has announced that all requirements for the Point of Sale Terminals project will be fulfilled through GSA Schedules. The terminals will be used in the Naval Exchange Command.

---

## State

CLASS VII-09C-018

The RFP for the Consular Lookout and Support System is currently expected to be released in mid-November 1996. Bids will be due in January 1997 with an award to follow in June 1997.

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## Transportation

NISC II VII-11-128

Comments on the third RFI for the National Airspace System Implementation Support Contract II are currently due on November 15, 1996. The contracting office intends to release a draft SIR for this opportunity on December 9, 1996.

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## US Courts

FINANCIAL MGT. SYS. SW VIII-30-008

The Financial Management System Software contract was awarded to AMS and CDSI on October 7, 1996. The two contracts have a value totaling \$36.6 million.

# Recent Library Acquisitions

Department: Air Force  
Document Title: CMC ISSC  
RFP #: F0460694R0036  
Document Type: RFP  
INPUT Reference #: 02099.25

Department: Air Force  
Document Title: SETA 1  
RFP #: F4162493R8002  
Document Type: Contract & Modifications  
INPUT Reference #: 32020.071  
Contractor: Booz-Allen & Hamilton  
Contract #: F4162494C8013

Department: Army  
Document Title: Mission Support Services for Joint Warfighting  
RFP #: DATB6096R0001  
Document Type: RFP  
INPUT Reference #: 02199.18

Department: Army  
Document Title: Omnibus ADPE Hardware  
RFP #: DAAB0796RH761  
Document Type: SOW  
INPUT Reference #: 02199.19



Department: Army  
Document Title: Maintenance of IBM  
Equipment  
RFP #: DABT6096R0009  
Document Type: RFP  
INPUT Reference #: 02199.20

Department: Army  
Document Title: Information Management  
Support Services  
RFP #: DATM0196R0006  
Document Type: RFP  
INPUT Reference #: 02199.21

Department: Army  
Document Title: National Target/Threat  
Signature Data System NTSDS  
RFP #: DAHC9096R0016  
Document Type: RFP  
INPUT Reference #: 02199.22

Department: Army  
Document Title: Technical Support Services  
RFP #: DATM0193R0001  
Document Type: Contract & Modifications  
INPUT Reference #: 02199.24  
Contractor: PRC, Inc.  
Contract #: DATM0194D002

Department: Army  
Document Title: SMC II Production & Del.  
Reports August 1996  
Document Type: Delivery Reports  
INPUT Reference #: 32021.074  
Contractor: C3/TELOS  
Contract #: DAHC9495D0010

Department: Army  
Document Type: CONTRACT  
INPUT Reference #: 32021.070  
Contractor: Questech, Inc.  
Contract #: DAAB1095D0505

Department: Army  
Document Type: Contract  
INPUT Reference #: 32021.071  
Contractor: Electronics Warfare Assoc.  
Contract #: DAAB1095C0011

Department: Army  
Document Type: Contract & Modifications  
INPUT Reference #: 32021.073  
Contractor: Mystech Associates  
Contract #: DAHC9093D0011

Department: Commerce  
Document Title: Data Capture System 2000  
(DCS 2000)  
RFP #: 52SOBC600003  
Document Type: RFP  
INPUT Reference #: 04100

Department: Commerce  
Document Title: Commerce Concepts of  
Operations (COMOPS)  
Document Type: Initiative Documents  
INPUT Reference #: 01731

Department: Defense  
Document Title: DISN Strategy  
Document Type: Informational Document  
INPUT Reference #: 02545

Department: Defense  
Document Title: DOCS3  
RFP #: DASG6296R0003  
Document Type: RFP  
INPUT Reference #: 02543.1

Department: Defense  
Document Title: Forecast to Industry  
Document Type: Conference Binders  
INPUT Reference #: 01910.30

Department: Defense Dept.  
 Document Type: Contract  
 INPUT Reference #: 32024.041  
 Contractor: SSDS  
 Contract #: MDA91193C0011

Federal Judiciary  
 Document Title: Long Range Plan for Autom.  
 in Fed. Jud. FY96  
 Document Type: IRM Plan  
 INPUT Reference #: 01219

Department: GAO  
 Document Title: NASA Budget: Carryover  
 Balances  
 Document Type: GAO Report  
 INPUT Reference #: NSIAD-96-206

Department: GAO  
 Document Title: Earth Observing System  
 Document Type: GAO Report  
 INPUT Reference #: NSIAD-96-97

Department: GAO  
 Document Title: Social Security Disability:  
 Backlog Reduction  
 Document Type: GAO Report  
 INPUT Reference #: HEHS-96-87

Department: GAO  
 Document Title: Information Security  
 Document Type: GAO Report  
 INPUT Reference #: AIMD-96-110

Department: GAO  
 Document Title: Telecommunications:  
 Competitive Impact  
 Document Type: GAO Report  
 INPUT Reference #: RCED-96-204

Department: GAO  
 Document Title: Reports and Testimony  
 Document Type: GAO Report  
 INPUT Reference #: OPA-96-10  
 Department: GAO

Document Title: Reports and Testimony:  
 June 1996  
 Document Type: GAO Report  
 INPUT Reference #: OPA-96-9

Department: GSA  
 Document Title: Telecommunications  
 Maintenance and Follow-On  
 RFP #: GS6KS97BND0001  
 Document Type: RFP  
 INPUT Reference #: 12105

Department: GSA  
 Document Title: International Direct  
 Distance Dialing Service (ID3)  
 RFP #: TQLPB960005  
 Document Type: RFP  
 INPUT Reference #: 12106

Department: HHS  
 Document Title: Programming Support  
 RFP #: 26396Q(M8)0048  
 Document Type: RFQ  
 INPUT Reference #: 13411

Department: HHS  
 Document Title: Software Processing System  
 for Medicare Part B  
 RFP #: HCFA96026\LLH  
 Document Type: RFP  
 INPUT Reference #: 13225

Department: HHS  
 Document Type: Contract  
 INPUT Reference #: 32131.006  
 Contractor: Second Foundation  
 Contract #: N01CO94386

Department: Interior  
 Document Title: Digital Photogrammetric  
 System  
 RFP #: 1434WR96SS00006  
 Document Type: RFP  
 INPUT Reference #: 15039  
 Department: ITAA

Document Title: ITAA Membership Directory  
1993-1994

Document Type: Directory  
INPUT Reference #: 01335

Department: Justice  
Document Title: Nationwide Data Entry  
Computer Related Services  
RFP #: DEA96R0003  
Document Type: Bidders Mailing List  
INPUT Reference #: 16040

Department: Justice  
Document Title: Facilities Operations and  
Hardware Maintenance Support  
RFP #: HQ9637  
Document Type: RFC  
INPUT Reference #: 16211

Department: Justice  
Document Title: Computer Software  
RFP #: 7034  
Document Type: RFP  
INPUT Reference #: 16119

Department: Justice  
Document Title: Nationwide Data Entry  
Computer Related Services  
RFP #: DEA96R0003  
Document Type: RFP, BML  
INPUT Reference #: 16041

Department: NASA  
Document Type: Contract & Modifications  
INPUT Reference #: 32183.003  
Contractor: Loral Space Information  
Contract #: NAS919180

Department: Navy  
Document Title: TES  
RFP #: N6133995R2001  
Document Type: RFP  
INPUT Reference #: 32022.102B

Department: Navy  
Document Title: TES  
RFP #: N6133995B2001  
Document Type: RFP  
INPUT Reference #: 32022.102C

Department: Navy  
Document Title: POS Vision Statement  
RFP #: N0014096R0003  
Document Type: Vision Statement  
INPUT Reference #: 02299.17

Department: Navy  
Document Title: Engineering Services  
RFP #: N6600196R5056  
Document Type: RFP  
INPUT Reference #: 02299.18

Department: Navy  
Document Title: Engineering Technical and  
Logistics Support Services  
RFP #: N6339496R2106  
Document Type: RFP  
INPUT Reference #: 02299.19

NIFP  
Document Title: SIC Code Handbook  
(Revised)  
Document Type: Informational Document  
INPUT Reference #: 01856

Department: State  
Document Title: Information Technology  
Support Services  
RFP #: SOPRAQ96R0568  
Document Type: RFP  
INPUT Reference #: 23016

Department: State  
Document Title: State Information  
Infrastructure  
RFP #: SOPRAQ960608  
Document Type: RFP  
INPUT Reference #: 23017



Department: State  
RFP #: SOPRAQ95D0673  
Document Type: SOW  
INPUT Reference #: 23018

Document Title: Congressional Yellow Book  
Fall 1996  
Document Type: Directory  
INPUT Reference #: 01312.07

Document Title: Maryland Business  
Directory 1995  
Document Type: Directory  
INPUT Reference #: 01332

Document Title: Virginia, Washington, D.C.  
Business Directory 1995  
Document Type: Directory  
INPUT Reference #: 01333

Document Title: Federal Technology Source  
1996-97

Document Type: Directory  
INPUT Reference #: 01334

Document Title: American Marketing  
Association 1995 Yellow Pages  
Document Type: Directory  
INPUT Reference #: 01336

Document Title: Northern Virginia  
Technology Directory 1994-95  
Document Type: Directory  
INPUT Reference #: 01337

Baldrige, Letitia  
Document Title: Complete Guide to Executive  
Manners  
Document Type: Other Document  
INPUT Reference #: 01855

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This newsletter is issued as part of INPUT's Federal IMPACT Program. If you have questions or comments on this newsletter, please call Brian Haney at INPUT, 1921 Gallows Road, Suite 250, Vienna, VA 22182, (703) 847-6870

# Federal Newsletter

A Publication from INPUT's Federal Procurement Analysis Reports Service

Vol. IV, No. 12

December 1996

## The New Age of Procurement

### Researcher's Corner

by *Brian M. Haney*

The Federal Acquisition Reform Act (FARA) and the Information Technology Management Reform Act (ITMRA) have launched a revolution in the acquisition and information resource management arenas. Overhaul of government procurement is in full force. A recent conference held by the Federation of Government Information Processing Councils helped to detail some of the changes. New methodology is being used by procurement officials which will allow the government to gain a greater insight into the vendors with whom they may be working.

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Two procurement processes which are becoming more prevalent are past performance evaluations and vendor pre-qualifications. Past performance evaluations take into account the performance of a vendor under the incumbent contract or on other contracts being managed by that particular agency. That performance is considered when awarding the new contract.

Vendor pre-qualifications allow the agency to narrow the bidding pool to a select group of vendors whom they deem qualified to fulfill the goals of the contract. Vendors are selected for pre-qualification through the evaluation of various criteria. Those vendors who have been pre-qualified may then submit proposals and continue in the procurement process.

Critics of the past performance evaluation argue that the performance of subcontractors is often overshadowed or associated with the performance of the prime. This, however, is not always the case. A hardware vendor may have performed poorly on a prior contract; however, the potential subcontractor, who may have never been associated with this poor performance, is often marked with the prime's negative evaluation. The evaluation also does not account for subcontractors entering the marketplace who have not yet teamed with a prime. The question which arises is, "Can the subcontractor receive an evaluation before a

teaming arrangement has been established?" The answer is not yet clear. Also, a debate has ensued as to whether a contractor should have to pay for a past performance evaluation. Currently, these evaluations are being made available by a third party, Dialog. Vendors must pay for the download time when using Dialog's service. The vendors argue that the evaluation benefits the agency and a vendor should not be under an obligation to finance such a procedure. Agencies argue that paying to have an evaluation, which turns out to be favorable, may be the boost a vendor needs which may put it above the rest. The agency feels that the charge for the evaluation is a small price to pay for success.

The opponents of the pre-qualification argue that the qualification standard is often obscure or ambiguous and many qualified vendors are being left behind. Also, new vendors are often excluded from entering the marketplace due to the pre-qualification standard and the past performance evaluation. It can be argued that past-performance evaluations and pre-qualification often keep the small companies small, the large companies large, and those in between are hindered from growing. One prime example is the recently awarded Army PC 2 contract. The contract was awarded to BTG and Sysorex as a follow-on to the current PC 1 contract, due to expire in January. Telestar Corp. has filed a protest with the General Accounting Office (GAO) and is attempting to halt the contract.

Telestar claims that the use of a past performance evaluation precluded them from continuing in the process because they had never been involved with such a large-scale buy in the past. It is their feeling that there was no justification for disqualification. It has been noted that about one quarter of the selection criteria was based on the past performance evaluation. Telestar's argument

is being echoed throughout the marketplace by vendors who feel that they will never grow if the evaluations continue to hinder progress. Alternatively, many of the companies may not actually be financially equipped to handle such large contracts. Thus, the group of large companies who have historically won the large contracts will continue to do so, taking on small businesses as their subcontractors, and leaving those in the middle at the end of the line.

A procurement method which is beginning to be accepted and used by more agencies is the oral presentation. When bidding, a vendor is often required to make an oral presentation either in lieu of or coupled with the submission of a proposal. Use of oral presentations allow officials at the agency to meet the actual technicians and support personnel involved with the project. They allow for real-time question and answer periods. It was often felt in the past that the vendor used professional writers and editors when writing a proposal. Often, these writers were not the individuals who would actually work on the contract. Proposals were also viewed by agency officials as "fluff" filled rather than straightforward. Oral presentations put the agency employees face to face with the people with whom they will work throughout the life of the contract.

The widespread use of oral presentations has sparked some vendor criticism. Many vendors feel that the presentation does not give the best opportunity to present a full range of qualifications. Arguments against oral presentations are that many vendors will begin to use speech coaches and make-up to dress the presentation, thus defeating the original purpose. To date, oral presentations have been reserved for those opportunities of a more advanced and technical nature.



In an era of change, the marketplace is facing a wave of controversy. The efforts to make procurement faster and more efficient often appear to vendors as hasty and poorly planned. The agency's goal to concentrate more on the value of a contractor's output often leaves the vendor feeling that the market is narrowing. Many vendors face large challenges in the years ahead. It is not a price war any more, but rather overall value that will win the award. Those companies that can keep up and adapt are those that will succeed.

## INPUT Notes

### Agency Profiles

INPUT is currently compiling its list of Agency Profiles for 1997. Four profiles will now be released each month as opposed to two. The final schedule will be published in the January Newsletter.

### Federal Telecommunications Market, 1996-2001

INPUT is pleased to announce the release of its Federal Telecommunications Market Report. The report analyzes the federal market for telecommunications systems and services and forecasts market trends for 1996-2001.

This report is also available for purchase on an individual basis by calling Jeremiah Cunningham at INPUT, (703) 847-6870.

## Reports and Profiles

Federal Financial Management Systems Market 1996-2001  
 Federal Wireless Technology Market 1995-2000  
 Federal Imaging Market, 1996-2001  
 Federal Information Systems and Services Market, 1996-2001  
 Federal Telecommunications Market, 1996-2001

### 1996 Reports In Development

Federal Professional Services Market

### 1996 Agency Profiles

Navy, Education..... December

### Available Agency Profiles

HCFA, March 1995  
 EPA, April 1995  
 NIH, May 1995  
 Justice, May 1995  
 Education, June 1995  
 PTO, June 1995  
 OPM, August 1995  
 Interior, August 1995  
 Labor, October 1995  
 SSA, October 1995  
 DFAS, November 1995  
 Navy, November 1995  
 CDC, December 1995  
 FEMA, December 1995  
 USAID, January 1996  
 EOP, January 1996  
 USCS, February 1996  
 USSS, February 1996  
 VA, March 1996  
 DOE, March 1996  
 FBI, April 1996  
 State, April 1996

TVA, May 1996  
 Postal Service, May 1996  
 USCG, June 1996  
 GSA, June 1996  
 Army, July 1996  
 IRS, July 1996  
 Commerce, August 1996  
 SSA, August 1996  
 FAA, September 1996  
 NASA, September 1996  
 DISA, October 1996  
 USDA, October 1996  
 Air Force, November 1996  
 HHS, November 1996

## November Procurement Highlights

### Air Force

MISTS II V-01-231

The Management Information Systems Technical Support II contract was awarded to PRC and GTE on November 12, 1996. The two contracts have an anticipated value of \$674 million.

### Army

OPER. AND MAINT. OF THE ADMIN.  
 TELEPHONE SYSTEM V-02-157

Best and Final Offers (BAFOs) on the Operation and Maintenance of the Administrative Telephone System program were due on October 28, 1996. INPUT anticipates an award for this opportunity in December 1996.

DOCS3 V-02-164

Bids for the Defense Satellite Communication System Operational Control System Support Services program were due on November 4, 1996. The contracting office hopes to award this opportunity in December 1996. The current contract, held by Stanford Telecommunications, has a value of \$15 million.

SCC-2 V-02-136

The contracting office intends to release a draft RFP for the STAMIS Computer Contract 2 program in mid December 1996. The final RFP release is expected in February 1997. Bids will be due in March 1997 with a June award expected in order to ensure continuity of service.

SHARP (G) V-02-110

Bids for the Support Hardware Automation Related Products (Generic) procurement were due on September 6, 1996. The contracting office hopes to make an award in late January 1997.

MAINT. OF IBM EQUIP. V-02-155

Bids for the Maintenance of IBM Equipment procurement were due on August 7, 1996. The contracting office hopes to award this opportunity in January 1997. The contract will provide maintenance of mainframes and peripherals at various military bases nationwide.

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## Defense

DPS V-04O-005

The contracting office plans to announce the Digital Production System Migration program in December 1996. A draft RFP will then be released in late March 1997. The contracting office estimates the value of the contract at \$500 million.

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## Energy

TELIS VI-07-130

The contracting office released an RFP for the Telecommunications Integrator Service on October 25, 1996. Bids on the technical portion are now due on December 16, 1996. Bids for the cost portion are due on December 23. The contracting office anticipates an award in February or March 1997.

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## GSA

TELECOMM. MAINT. VIII-14-055

Bids for the Telecommunications Maintenance Follow-On were due on October 30, 1996. INPUT expects an award in late January 1997.

WAC VIII-14-062

The contracting office released a draft RFP for Wire and Cable Services on November 6, 1996. Comments were due on November 20. The RFP for this opportunity is expected in January 1997 with an award in November 1997.

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## HHS

SISTIR VII-08-133

Bids for the Strategic Information Systems Technical Integration Resources program were due on June 17, 1996. INPUT anticipates an award in February 1997.

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## NASA

ITC VIII-15-159

The contracting office anticipates the RFP release for the Information Technology Contract in January 1997. The award for this opportunity is expected in December 1997.

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## Navy

DOCUMENT CONV. SVCS. V-03-280

Bids for the Document Conversion Services program were due on November 1, 1996. The contracting office anticipates an award in January 1997.

MANPOWER ANALYSIS V-03-285

The RFP for the Manpower Analysis Technical and Support Services program was released on November 13, 1996. Bids will now be due in January 1997 with an anticipated award in April.

AIS-ACSC V-03-282

Bids for the Automated Information Support-AEGIS Combat System Center program were due on September 19, 1996. An award is currently expected in early January 1997. The current contract, held by Advanced Technology Inc., has an estimated value of \$18 million.



MRMS

V-03-239

Another contract extension was announced for the Maintenance Resource Management System on November 7, 1996. The contracting office is currently in an appeal process with the SBA attempting to determine whether to compete this opportunity full-and-open or to set it aside for small business concerns. An RFP is not likely until early February 1997.

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## SEC

EDGAR

VIII-23-004

The RFP for the Electronic Data Gathering Analysis and Retrieval system was released on October 30, 1996. Bids are currently due on January 24, 1996.

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## Transportation

MDTS

VII-11-143

The Maintenance Data Terminal System procurement has been canceled. The current Air Force Desktop V contract will be used to fill all necessary requirements.

OR&amp;A/DSS

VII-11-062

The Operations Research and Analysis Decision Support System contract was awarded to MicroSystems Integration on November 8, 1996. The contract has an estimated value of \$3.1 million.

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## US Courts

ILS

VIII-30-005

Bids for the Integrated Library System were due on April 5, 1996. An award is currently expected in January 1997.

# Recent Library Acquisitions

Department: Army

Document Title: Local Area Network Centralization

RFP #: DACW7296R0004

Document Type: RFP

INPUT Reference #: 02199.25

Department: Army

Document Title: ADP Operations and Management Services

RFP #: DAEA3296R6000

Document Type: RFP

INPUT Reference #: 02199.26

Department: Army

Document Title: Information Mission Area Support Services

RFP #: DAAH0196R0236

Document Type: RFP

INPUT Reference #: 02199.27

Department: Army

Document Title: Digital Switch Systems Modernization Program DSSMP

RFP #: DAAB0797RL001

Document Type: Market Survey

INPUT Reference #: 02199.28

Department: Army

Document Title: Digitization/Internetworking Support Services

RFP #: DABT6096R0025

Document Type: RFP

INPUT Reference #: 02199.29

Department: Commerce  
Document Title: Facilities Management  
Document Type: Contract & Modifications  
INPUT Reference #: 32046.012  
Contractor: Digital Support Corporation  
Contract #: 50PAPT300036

Department: Commerce  
Document Title: Industry Communication  
Day  
Document Type: Conference Binders  
INPUT Reference #: 01910.31

Department: Commerce  
Document Title: U.S. Global Trade Outlook  
1995-2000  
Document Type: Informational Document  
INPUT Reference #: 01857

Department: Commerce  
Document Title: U.S. Industrial Outlook 1994  
Document Type: Informational Document  
INPUT Reference #: 01858

Department: Commerce  
Document Title: Metropolitan Area Exports  
Document Type: Informational Document  
INPUT Reference #: 01859

Department: Energy  
Document Title: Information Resources  
Management Support Services  
RFP #: DERP0192AD32229  
Document Type: Contract, Mods, RFP  
INPUT Reference #: 32060.026  
Contractor: Dyncorp  
Contract #: DEAC0195AD34277

Department: GAO  
Document Title: Reports and Testimony:  
September 1996  
Document Type: GAO Report  
INPUT Reference #: OPA-96-12

Department: GAO  
Document Title: Executive Guide  
Document Type: GAO Report  
INPUT Reference #: GGD-96-118

Department: GSA  
Document Title: Technical and Management  
Support (TMS)  
RFP #: TQCTB960003  
Document Type: RFP (Diskette)  
INPUT Reference #: 12107D

Department: GSA  
Document Title: IMPAC Credit Card Holders  
Document Type: Directory  
INPUT Reference #: 12108

Carroll Publications  
Document Title: Carroll's Military Facilities  
Directory Fall 1996  
Document Type: Directory  
INPUT Reference #: 01328.3

Carroll Publishing  
Document Title: State Directory, Executive,  
Legislative, Judicial  
Document Type: Directory  
INPUT Reference #: 01302.02

Seyfarth, Shaw,  
Document Title: Federal Bid Protests  
Document Type: Conference Binders  
INPUT Reference #: 01910.31

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This newsletter is issued as part of INPUT's Federal IMPACT Program. If you have questions or comments on this newsletter, please call Brian Haney at INPUT, 1921 Gallows Road, Suite 250, Vienna, VA 22182, (703) 847-6870

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- Client/Server Software
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- Information Services Vendor Profiles and Analysis
- Electronic Commerce/Internet
- U.S. Federal Government IT Markets
- IT Customer Services Directions (Europe)

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- Frequent bulletins on events, issues, etc.
- 5-year market forecasts
- Competitive analysis
- Access to experienced consultants
- Immediate answers to questions
- On-site presentations

## DATABASES

- Software and Services Market Forecasts
- Software and Services Vendors
- U.S. Federal Government
  - Procurement Plans (PAR, APR)
  - Forecasts
  - Awards (FAIT)

## CUSTOM PROJECTS

For Vendors—analyze:

- Market strategies and tactics
- Product/service opportunities
- Customer satisfaction levels
- Competitive positioning
- Acquisition targets

For Buyers—evaluate:

- Specific vendor capabilities
- Outsourcing options
- Systems plans
- Peer position

## OTHER SERVICES

Acquisition/partnership searches

## INPUT WORLDWIDE

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